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THE

Canadian Accountant,

A PRACTICAL SYSTEM OF

BOOK-KEEPING,

Containing a complete elucidation of the Science of Accounts by the latest and most approved methods, Business Correspondence, Mercantile Forms, and other valuable information,

DESIGNED FOR USE IN

ONTARIO COMMERCIAL COLLEGE,

AND

ADAPTED TO PUBLIC SCHOOLS.

By S. G. BEATTY, Principal.

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BELLEVILLE:
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1874.

Entered according to Act of Parliament of Canada, in the year One Thousand Eight Hundred and Seventy-four, by S. G. Beatty, in the office of the Minister of Agriculture.

TO THE STUDENT.

The course upon which you are about to enter is of the most useful and practical nature. It is not designed simply for the merchant, but so arranged as to be of incalculable advantage to all classes of the community—the farmer as well as the merchant, the mechanic as well as the professional man.

As you commence these studies, remember they are worthy of your best energies, and require persevering application to thoroughly master them. You have come here for the purpose of acquiring an education that will fit you for the duties of a business career. You have brought with you such heart and brain as it pleased the Almighty to give you. You expect to put forth your best efforts, hoping to achieve the best attainable results.

The implied compact between you and your teachers pledges both parties to a faithful performance of duty. It is therefore of the first importance that you should enter upon your labors with a thorough appreciation of your privileges and obligations.

In the first place, you require to apply yourself systematically and faithfully, or the best of instruction will avail you but little. Your teacher is merely your guide. He can locate your difficulty, and point out the path you are to pursue. But learning is the result of thinking, and no teacher can either think for you or endow you with thought.

Although you are not to despise the counsels of those who have gone over the same work many times, and should understand it, you will gain strength and confidence by using your own powers and testing your own judgment. Some will not ask for aid, lest their teachers imagine they are not possessed of extraordinary ability; but they only cheat themselves, and do not deceive others, especially their teachers.

Do not be ashamed to confess your ignorance, or pretend to understand that which you do not, for assumption of knowledge is the greatest stumbling-block to progress; it becomes a perpetual rock of offence to those who would gladly aid you, if the way were clear.

Do not ask for aid until you need it, which will be, when after faithful trial you have failed in the attainment of the desired result. A teacher who will aid you sooner than this, may mean to be kind, but is unthinking, and in fact doing you an injury.

This book contains only the work assigned for the Theoretical Course, and is calculated to impress upon your mind the principles of the science of accounts, and to prepare you for work of a more difficult and varied nature which will be presented hereafter. Your success in the more advanced departments will depend to a great extent upon the thoroughness of your understanding of the work you are now about to commence; therefore, do not measure your attainment from time to time, by the number of pages over which you pass, but by the perfectness of your mastery over them. Do not under any consideration pass from one set to another, without fully understanding the subject both in its general and special application.

Your labor will not be purely and only intellectual. The accountant requires a neat, legible, rapid style of penmanship. The intrinsic value of this accomplishment is beyond computation, and should receive the attention its importance demands. A good expeditious hand-writing is one of the strongest elements of promotion and success, and carries with it an indisputable reference.

The collateral studies of Arithmetic, Correspondence, &c., which you will pursue in connection herewith, are essential to a fair understanding of your duties, as well as to the symmetry of your course of training, and should not be underrated.

Make yourself familiar with the most concise and business like forms of expression, in recording your transactions, and in your correspondence.

Spell all words correctly. Pay the strictest attention to punctuality, neatness, accuracy and order.

Make up your mind at the beginning that you will complete the

course upon which you are entering, and carry away the Diploma awarded to all faithful graduates, and by PLUCK and PERSEVERANCE you will succeed. You will have some little difficulties to contend with, but these must be overcome by every man who attains to any ordinary degree of success.

There will probably be times when you will feel tired in body and mind, when you will look blankly upon columns of figures in your trial balances that will not come right; but you must not become discouraged; remember that many who have gone the same road before you, have grappled with the same difficulties, and overcome them.

Labor, under some form or other, whether it be in the workshop of the mechanic, the studio of the artist, the office of the professional man, or the counting room of the merchant, is the inevitable lot of all human beings, and intelligent, faithful labor always meets its reward.

Be ambitious, be courageous, be persevering, be plucky. By ambition is not here meant that low, vile ambition that prompts men to elevate themselves at the expense of their self-respect, and of justice and truth, but that honorable and noble ambition which makes them scorn all ignoble and dishonorable action.

Persevere.—Remember the old story of the spider that fell seventeen times and succeeded the eighteenth, and even then, though you fail to gain your end, even though you drop down again, do not whine and despair, but up and at it again, and resolve that you will not cease your efforts until you have accomplished your object. Hold to that resolution, and you must succeed.

A thorough understanding of the course upon which you are about to enter is of itself a valuable capital, and will equip you for your voyage on the great ocean of life. The world has places of usefulness and honor for every man who has the skill and the ability to fill them. Avenues are always open to hands that hold the key of energy and trained capacity.

VOCABULARY

OF

Abbreviations and Mercantile Terms.

ABBREVIATIONS.

Adv.	Adventure.
Ac't	Account.
Amer.	American.
Am't	Amount.
Ans.	Answer.
Apr.	April.
Ass'd or As'd	Assorted
Aug.	August.
Bal.	Balance.
B.-B.	Bill-Book, Bank-Book.
Bbl.	Barrel.
Bills Pay.	Bills Payable.
Bills Rec.	Bills Receivable.
B'k.	Bank.
Bl'k.	Black.
Bo't	Bought.
Bro't	Brought.
Cap.	Capital,
C.-B.	Cash-Book.
Co.	Company.
Col'd	Colored.
Com.	Commission, Commerce.
Consg't	Consignment.
Cr.	Creditor.
D.-B.	Day-Book.
Dec.	December.
Dep.	Deposited.
D'ft	Draft.
Dis.	Discount.
Do.	(Ditto.) The same.
Doz.	Dozen.
Dr.	Debtor.
Dray.	Drayage.
D'ys	Days.
Ea.	Each.
E. E.	Errors Excepted.
E. & O. E.	Errors & Omissions excepted.
Eng.	English.
Ent.	Entry.
Ex.	Example.
Exch.	Exchange.
Exp's	Expenses.
Fav.	Favor.
Feb.	February.
Fig'd	Figured.
Fol.	Folio.
Forw'd	Forward.
Fr.	From.
Fr't	Freight.
Gal.	Gallon.
Guar.	Guarantee.
Hhd	Hogshead.
I.-B.	Invoice-Book.
I. E.	(Id est.) That is.
Ins.	Insurance.
Insol.	Insolvency.
Inst.	(Instant.) The present month.
Int.	Interest.

Inv't	Inventory.
Jan.	January.
Jour.	Journal.
J. F.	Journal Folio.
Lab.	Labor.
Lbs.	Pounds.
Leg.	Ledger.
L. F.	Ledger Folio.
L. & G.	Loss and Gain.
Mar.	March.
Mdse.	Merchandise.
M. or Mo.	Month.
Mols.	Molasses.
Mut.	Mutual.
N. B.	(Nota Bene) Take notice.
No.	Number.
Nov.	November.
Oct.	October.
O.-I.-B.	Outward-Invoice Book.
P.	Page.
Pay't	Payment.
P.-C.-B.	Petty-Cash-Book.
P'd	Paid.
P'k'g's	Packages.
Per.	Personal.
Pr.	(per.) By.
Pr. ct.	(Per centum) By the hundred.
Prem.	Premium.
Prof.	Profit.
Prox.	(Proximo.) The next month.
Ps.	Pieces.
Rec'd	Received.
R.-R.	Rail-road.
S.-B.	Sales-Book.
Sept.	September.
Sh.	Share.
Ship't	Shipment.
St'b't	Steamboat.
Stor.	Storage.
Sund's	Sundries.
Super or S. F	Superfine.
Ult.	(Ultimo.) The last month.
Viz.	(Videlicet.) To wit—namely.
Vs.	(Versus.) Against.
Weigh.	Weighing.
Y'ds.	Yards.
Yr.	Year.
@	At.
%	(Per centum.) By the hundred.
+	Sign of Addition.
−	" Subtraction.
×	" Multiplication.
÷	" Division.
=	" Equality.
"	(Ditto.) The same.
1^1	One & one quarter.
1^2	One & one half.
1^3	One & three qu'ters.

MERCANTILE TERMS.

Abatement—A deduction of discount for damages on goods, or for payment of demands before due, etc.

Acceptance—1st. The receiving of a draft or order, in such a way as to bind the acceptor to payment. It consists in the acceptor's writing across the face of the bill "Accepted," and signing his name. If drawn payable at a certain number of days' sight, the date of acceptance should also be given. 2d. A draft accepted.

Accommodation—A loan of money. When applied to bills of exchange, it is where the drawee lends his name for the use of the drawer.

Account-Current—An exhibit in detail of a running account between two or more parties.

Account-Sales—An exhibit of the sales of goods disposed of on commission, with the charges incurred thereon.

Ad valorem—According to value. An ad valorem duty is a certain percentage on the first cost, or invoice price.

Advance—Additional price; profit; premium. Money paid on property or goods expected, or on goods held in possession for security.

Adventure—Goods sent to a distance to be sold on commission.

Advice—Mercantile intelligence.

Annuity—A sum of money payable periodically, usually yearly.

Ante-date—To date before the present time; to date beforehand.

Arbitration—The hearing and determination of a cause between parties in controversy, by a person or persons chosen for the purpose. A hearing before arbitrators, though they make no award.

Assets—Available means for payment of debts; goods, estate, and indebtedness of others.

Assignee—One to whom an assignment is made. One appointed or deputed for some specific purpose.

Assignment—Conditional transfer of property to another. The property so transferred.

Assignor—One who makes an assignment.

Attachment—A claim on property legally executed.

Aune—A French cloth measure, one yard and a quarter.

Average—Sums allowed for losses at sea. A medium time found by equation.

Balance—To close an account in the Ledger. Difference between the debits and credits. An account in the Ledger, into which all balances are closed.

Bankrupt—Insolvent. One unable to pay his debts.

Bill, or Bill of Parcels—A statement in detail of goods bought or sold.

Bills—A term applied to drafts, notes, &c.

Bill of Entry—A list of goods entered at the Custom-house.

Bill of Exchange—An order for the payment of money; usually applied to drafts on persons in another country from the drawer.

Bill of Lading—A written account of goods shipped, having the signature of the master of the vessel on which shipped.

Bill of Sale—A contract, under seal, for the sale of goods.

Bill of Store—A Custom-house License for carrying to sea ship-stores and provisions free of duty.

Blank Credit—Permission granted by one house to another to draw on it at pleasure to a specified amount.

Bona fide—In good faith.

Bond—A note. An obligation or deed by which a person binds himself, his heirs, executors, and administrators, to pay a certain sum on or before a certain day.

Bonded Goods—Those for the duties on which bonds are given at the Custom-house.

Bottomry Bond—A mortgage or lien upon a vessel.

Brace—A measure of $\frac{5}{8}$ of a yard.

Broker—A money or stock trader. Factor; agent.

Brokerage—A percentage for the purchase and sale of money and stocks.

Capital—Stock in trade.

Cargo—The lading or freight of a vessel.

Catty—A Chinese weight of $1\frac{3}{4}$ lbs. Avoirdupois.

Carrying Trade—The transportation of goods by a vessel from country to country.

Charter Party—A written agreement between the owner of a vessel and the person to whom she is chartered.

Circular Letter—A printed notice issued by a house, relative to its business.

Clearing a vessel—Entering at the Custom-house all particulars relating to her when she is ready to sail, and paying clearance charges.

Clearance—A certificate from a Custom-house that a vessel has been cleared.

Closing an account—Making an entry to balance it, and drawing lines underneath to indicate that it is closed.

Cocket—A Custom-house warrant to show that goods have been entered.

Commission—A percentage allowed for the sale of goods.

Compound—to settle with a creditor by agreement, and discharge a debt by paying part of its amount.

Compromise—An adjustment of differences by mutual concessions.

Consignee—One to whom goods or wares are consigned.

Consignment—Goods sent to an agent to be sold for the consignor.

Consignor—The person making a consignment.

Contraband Goods—Articles prohibited by law to be imported or exported.

Contra—On the other side; opposite.

Convoy—Ships of war sailing with other vessels as a protection.

Co-partnership—The union of two or more persons for purposes of trade.

Counter order—A revocation of a former order.

Credit—That side of the account which shows the amount due to the person or thing represented. The amount of confidence reposed in another.

Custom-house—The house where vessels are entered and cleared, and where the duties on goods are paid.

Days of Grace—The days allowed for the payment of a bill after it becomes due. In the United States, and in Great Britain and her dependencies, the number of days of grace is three; but it varies very much in other commercial states, reaching thirty days in Genoa, there being none allowed at Leghorn. Bills drawn at sight are usually paid when presented, without grace.

Debenture—Drawback of duties on goods imported, when afterward exported according to law.

Debit—That side of an account which shows the indebtedness of the person or thing represented.

Defalcation—Deduction; diminution. That which is deducted or cut off.

Demurrage—Forfeit money for detaining a vessel beyond the time specified in her Charter-party.

Depot—A place where goods are deposited; a depository; a magazine.

Deviation—The voluntary departure of a vessel, without necessity, from the regular and usual course of the specific voyage insured, which frees the underwriters from obligation.

Discount—Any deduction from the stipulated price of goods, or from a sum due or to be due at a future time.

Dividend—Gains on stock, shares in trade, etc.

Dock—A place to build, repair, or lodge vessels.

Draft—An order from one person on another for the payment of money; a bill of exchange.

Drawer—The one who draws a bill or draft on another. The maker of a note.

Drawee—The person on whom a bill is drawn.

Drawback—Amount paid back. Any loss of advantage, or deduction from profit.

Duplicate—A copy.

Duty—A government tax on exported or imported goods.

Effects—Money, property on hand, and debts due.

El Flemish (E. Fl.)—A measure of $\frac{3}{4}$ of a yard.

Embargo—A restraint on ships by government; or prohibition of sailing, either out of port, or into port, or both.

Emporium—A mart. A town or city of trade; particularly a commercial city.

Endorse—To write one's name on the back of a bill; to become obligated for its payment.

Entry—A record made in an account book. The depositing of a ship's papers at the Custom-house to procure license to land goods.

Engross—To monopolize; to purchase the whole or large quantities of commodities in market, so as to enhance the price.

Equity of Redemption—The advantage allowed to a mortgager, of a reasonable time to redeem lands mortgaged.

Exchange—The giving of one commodity for another. The place where the merchants, bankers, and brokers meet, at certain hours, to transact business. Discount and premium arising from the purchase and sale of bills and money.

Face—The amount for which a bill is drawn.

Fac-simile—An exact copy.

Factor—An agent employed by merchants to buy and sell, or transact business on their account.

Failure—A breaking or becoming insolvent.

Favor—A bill is said to be drawn in favor of the person to whom it is payable.

Finance, or Finances—Revenue; funds in the public treasury. The resources or income of individuals.

Financier—One skilled in money matters. A revenue officer.

Firm—The name or title under which a company transacts business; a partnership, or house.

Flat—Low, (as to the prices of goods); or dull (as to sales).

Foreclose—To foreclose a mortgage, is to cut a mortgager off from his equity of redemption.

Folio—Page of an account book; both the right and left hand pages expressed by the same figure.

Freight—Lading; that which is carried by carriers. Sum charged by a vessel for the transportation of goods.

Guarantee, or Guaranty—Indemnity or security against loss; a pledge for the fulfilment of stipulations; one who binds himself to see the stipulations of another performed.

Grace—See 'Days of Grace.'

Honor—As applied to drafts, means to accept and pay when due.

Hypothecate—To pledge, to give as security.

Hypothecated—Pledged, as security for money borrowed.

Importation—The bringing of goods from another country to one's own country. The commodities imported.

Insurance—Security against loss. The premium paid for insuring property or life.

Insolvent—Not having money, goods, or estate sufficient to pay all debts. A debtor unable to pay his debts.

Instalment—A part of a sum of money paid, or to be paid, at a particular period.

Interest—A percentage paid for the use of money.

International—Relating to the mutual intercourse between different nations.

Inventory—An account in detail of property.

Invoice, See inventory—Inventory is generally applied to a catalogue of goods on hand; Invoice, to goods purchased, received from abroad, or about to be shipped.

Land Waiter—A Custom-house officer whose duty it is to wait or attend on the landing of goods.

Lease—A contract granting possession of property for a stipulated time.

Letter of Attorney—A writing by which one person authorizes another to act in his stead.

Letter of Credit—A letter authorizing one person to receive funds on the credit of another.

Letter of License—A written permission for a person under embarrassment to conduct his business for a time without molestation.

Letter of Marque—A written commission or authority given by government to private vessels, to make reprisals on the vessels of another nation.

Liabilities—Debts of an individual, or claims against him.

License—A legal permit to sell certain articles of merchandise.

Lien—Legal claim, as a lien upon land, houses, &c.

Lighter—A craft used to lighten vessels in shoal water.

Lighterage—A charge for carrying goods to and from a vessel in a lighter.

Liquidation—The act of adjusting and paying debts.

Manifest—An exhibit of a vessel's cargo.

Mart—A place of public sale and traffic.

Maturity—The time when a bill falls due.

Maximum—The highest price of an article.

Merchandise—The usual articles of trade.

Metre—A measure of 1 1-12 yards.

Minimum—The lowest price of an article.

Mint—A place where money is coined.

Mortgage—The grant of an estate in fee, as security for the payment of money.

Mortgager—The person who grants or pledges property for security of debt.

Mortgagee—The person to whom an estate is mortgaged.

Net proceeds—The remainder after deducting all charges from the amount of gross sales.

Net Weight—The weight of a commodity after deducting tare and all other allowances.

Non-Claim—A failure to claim within the time limited by law. Omission of claim.

Notary, or Notary Public—A person legally authorized to attest contracts or writings of any kind; also to take note of the non-payment of bills, promissory notes, etc., which is called protesting.

Note—A written obligation to pay money; a memorandum.

Obligation—Indebtedness. A bond, with a consideration annexed, and a penalty for non-fulfilment.

Obligee—The person to whom another is bound.

Obligor—The person who binds himself, or gives his bond to another.

Order—A request to deliver or pay to a person certain moneys or goods. Any request made of another in writing.

Par of Exchange—The intrinsic value of money, when compared with that of other countries, both in weight and fineness.

Partnership—See Co-partnership.

Payee—The person to whom money is to be paid.

Per Annum By the year.

Picul—A Chinese weight of 133⅓ lbs. Avoirdupois.

Policy, or Policy of Insurance—The writing, or instrument, by which a contract of indemnity to the insured is effected between him and the insurer.

Portage—The incidental sums paid by a Captain in running his vessel.

Postdate—To date after the real time.

Posting—Transferring the Journal entries into the Ledger.

Power of Attorney—Authority given to a person to act for another.

Price Current—A list of various articles of merchandise, with their market values.

Principal—The chief of a commercial house or firm. Capital sum due, lent, or owed, in contradistinction to interest.

Primage A percentage allowed to the master of a vessel on the amount of freight transported.

Procuration—The act of procuring. The instrument by which a person is empowered to transact business for another.

Pro Forma—According to form. Thus a pro forma Account-Sales is an imaginary Account-Sales, made out in form of a real one, to send to parties abroad, to give information of prices, charges, commission, etc.

Promissory Note—A writing which contains a promise for the payment of money unconditionally.

Protest—A Notary's document, declaring that a bill was not accepted when presented, or was not paid when it fell due.

Quarantine—Restraint of intercourse to which a ship is subjected, for a limited term, on the presumption that she may be infected with a malignant contagious disease.

Rate of Exchange—The percentage above or below the par value of a bill of exchange.

Rebate, or Rebatement—Abatement of price; deduction for prompt payment.

Receipt—A writing acknowledging the receipt of money or goods.

Remittance—Bills of money sent from one house to another. The act of sending the same.

Renewal of a bill—Prolonging the time of payment.

Resources—Funds, money, or that which may be converted into supplies. See Assets.

Salvage—A reward allowed for saving property from loss at sea.

Schedule—A piece of paper or parchment containing an inventory of goods.

Sea-worthy—Fitted in every respect for a voyage.

Seize To take possession by virtue of a warrant, or legal authority.

Set of Exchange—A number of Bills of Exchange (usually three), drawn of the same tenor and date. Each bill is forwarded by a different conveyance, to prevent failures, and one of them being paid the remainder are of no value.

Shipment—The act of putting goods on board a vessel. The goods shipped.

Sight, or At Sight—The time when a bill is presented to the drawee.

Signature—The name of a person written or subscribed by himself.

Sine die—Without fixing the day.

Sine qua non—Without which a thing cannot be; hence an indispensable condition.

Smuggling—Passing goods into a country clandestinely, without paying duties.

Solidity—The estimate a mercantile house bears as to property.

Solvent—Able to pay all debts.

Staple Goods—The principal produce of a country. Goods not liable to perish.

Stock—Capital invested in trade. Goods on hand. The name of a person in business.

Surety—Security against loss or damage. One bound for the payment of another's debts; bondsman; bail.

Tare—An allowance for the weight of boxes, barrels, &c., in which merchandise is put up.

Tariff—A list or table of duties or customs on Mdse., imported or exported.

Teller—An officer of a bank, employed to receive deposits or pay money on checks.

Tide-waiters—Officers who watch the lading and unlading of a vessel, to secure duties, as a check on contraband trade, &c.

Tonnage—The weight or measurement of goods carried in a vessel, or the capacity of a vessel.

Transfer—To carry from one account to another. To make over; to convey from one to another.

Trustee—A person to whom any thing, or business, is committed.

Underwriters—Persons who insure property against loss.

Usury—Formerly interest; in present usage, illegal interest.

Voucher—A book, paper, or document, which serves to vouch the truth of accounts.

Wharfage—Money paid for the use of a wharf.

Wreckers—Persons employed in saving property from shipwreck.

CHAPTER I.

BOOK-KEEPING.

Book-keeping is the science of recording transactions in business in such a manner that a clear and accurate statement of affairs is always shown. Every person should keep a book of some kind in which to record his business transactions. The farmer, the mechanic and the day laborer, as well as the merchant, should keep an account with every person with whom they deal, and not trust transactions of a pecuniary nature to memory alone.

There are two methods of Book-keeping, the one is termed *Single Entry* and the other *Double Entry.*

In Single Entry each transaction is entered but once in the Ledger, to the *debit* or *credit* side of an account; while in Double Entry each transaction is entered twice in the Ledger, to the *debit* side of one account and the *credit* side of some other account, that is, Single Entry consists of but one *debit* or one *credit;* while Double Entry contains both a *debit* and a *credit.*

DOUBLE ENTRY.

The origin of the science of Double entry Book-keeping has been a matter of much speculation by different writers on the subject, but nothing definite can be ascertained respecting it. It is said to have been first practised in Venice, Genoa, and other towns of Italy, where trade was conducted on an extensive scale at a much earlier date than in England, France, or other parts of Europe. To whomsoever the credit belongs, the Italians have pretty generally received it, and the system shown in the explanatory set given here, is usually denominated the Italian method.

The system of keeping books by Double Entry is much to be preferred, on account of its greater accuracy. It not only affords a proof of its own correctness, but in addition to showing the condition of business, gives also, with mathematical exactness, an indication of

the particular channels through which gains and losses accrue. In Double Entry, all the results, including resources, liabilities, gains, and losses, are shown in the Ledger; while in Single Entry the partial results, attainable, are gathered from various auxiliary books, including the Ledger, Cash Book, Bill Book, &c.

The main distinction between the two systems is, that while in Single Entry a record is kept of RESOURCES and LIABILITIES only, in Double Entry a similar and additional record is kept of special GAINS and LOSSES. This great feature of Double Entry should commend it at once to all prudent business men; for while it may properly be regarded as affording a true indication of the comparative merits of the various schemes of profit, it also, in a great measure, guards against errors and omissions, which might pass undetected in Single Entry.

The leading feature of Double Entry is, the theory of equal debits, and credits, that is; every DEBIT must have a CREDIT of equal amount and every CREDIT a DEBIT of equal amount.

DR. or DEBTOR signifies that the person or thing made DEBTOR owes, or is under obligation.

CR. or CREDITOR means that the person or thing made CREDITOR is owed, or has conferred an obligation.

Whenever any personal account, property account, or account of losses and gains, is debited on your books, it signifies that the person or thing represented thereby owes you; and whenever any account is credited on your books, it signifies that you owe the person or thing so represented.

One of the great difficulties that beset the student is a proper knowledge of the meaning of the terms "Debit and Credit."

BOOKS USED.—The old Italian method, of keeping books by Double entry has been adopted in the first sets of this Work, because it is the basis of all other forms, and therefore the best from which to learn the first principles of the science. The main books of entry are Day-Book, Journal and Ledger.

THE DAY-BOOK, in the Italian method, is a plain history of your business transactions, written in the order of their occurrence. It is necessary to open the Day-Book by giving therein a statement of your effects at the commencement of business, and also what debts you

owe. Afterward record in detail every transaction that occurs in the course of business, making the entry in as few words as possible ; but having it complete.

THE JOURNAL, is used for arranging under Ledger titles the entries of the Day Book, and for affixing to each Ledger title the correct amount of debit or credit, which is called journalizing. This is done that the accounts may with ease be collected under their proper heads in the Ledger.

THE LEDGER may be appropriately termed the *grand reservoir* of accounts, into which all records in the other books flow as naturally as streams to the ocean. Its principal use is to collect under one head all sums belonging to the same account.

The following examples of these separate books, showing their characteristic records of the same transaction, will indicate their use :—

1.—Day Book.

BELLEVILLE, JANUARY 1, 1874.

Journal Page.	Date.		Dollars	Cents.
		Bought of JAMES SMITH, on account, 500 bbls. Flour at $8	4000	
		2		
		Sold STEPHEN BROWN, for cash, 100 bbls. Flour at $8.50	850	

2.—Journal.

BELLEVILLE, JANUARY 1, 1874.

Ledger Page.	Date.	Ledger Titles.—Dr. / Ledger Titles.—Cr.	Dr. Dollars.	Dr. Cents.	Cr. Dollars.	Cr. Cents.
1		Merchandise, Dr.....	$4000			
2		To James Smith.....			4000	
		2				
3		Cash, Dr.....	850			
1		To Merchandise.....			850	

3.—Ledger. 1

DR. MERCHANDISE. CR.

Month.	Day.		Journal Page.	Dollars.	Cents.	Month.	Day.		Journal Page.	Dollars.	Cents.
1874 Jan.	1	To James Smith...	1	4000		1874 Jan.	1	By Cash	1	850	
		For what debited.						For what credited.			

2

DR. JAMES SMITH. CR.

						1874 Jan.	1	By Merchandise....	1	4000	

3

DR. CASH. CR.

1874 Jan.	1	To Merchandise....	1	850							

The transferring of accounts from the Journal to the Ledger is called posting.

The advantages of having the items of accounts thus collected are, that, by looking at any person's account in the Ledger, you can see at a glance your whole dealings with that person, and also the balance which is due him or you, which you could not find without much trouble and great liability to error if the amounts of debit and credit were all left standing scattered through the Day Book.

BILLS RECEIVABLE.—By this title is meant all written obligations of whatever form in your possession, for which a certain specified amount is to be *received*.

They may be :

1st. A note in your possession, drawn by another person, payable to you or order.

2d. A note drawn by another person, purchased by you although not originally made payable to you.

3d A draft or bill of exchange drawn by one party on a second, and coming into your possession as a third party, whether accepted or not.

4th. Your draft on another, accepted by him and retained in your possession.

BILLS PAYABLE is a name given to your written obligations or promises to pay, and by which you keep an account with your own notes.

They may be:

1st. Your note payable to another person.

2nd. A draft or bill of exchange on you and accepted by you.

3d. Any bond or obligation in contract, with your signature, and requiring payment of you.

NOTE.—The above definitions of Bills Receivable and Bills Payable have been here given, to enable the student more readily to comprehend them in future entries; and when he has any difficulty in determining what should be called Bills Pay. or Bills Rec., he will do well to read them over.

ACCOUNTS.

An account is a collection of items under a distinct title, so arranged as, by comparison, to show some specific result of transactions.

FORM OF AN ACCOUNT.

BELLEVILLE, June 20, 1874.

MR. ROBERT J. WILSON,

To HENRY P. JOHNSON, DR.

1874				
Jan.	1	To bal. due on old account	125	30
"	24	" 1 Broadcloth Coat	20	
"	29	" Paid your order favor J. Jones	100	
Mar.	2	" 18 yds. Summer Tweed, at $1 50	27	
Apr.	10	" 10 yds. F. Cotton " 10	1	
May	4	" 15 " Prints " 15	2	25
"	7	" 1 Vest Pattern	3	40
			278	95
		CR.		
1874				
Feb.	4	By 3 cords wood at $5 — 15 00		
Mar.	1	" 6 bush. Potatoes at 50c — 3 00		
Apr.	1	" 10 cords Wood at $5 — 50 00		
May	2	" 2 tons Hay at $15.75 — 31 50		
"	16	" My order on you, favor J. Sherry — 50 00	149	50
		Balance due H. P. Johnson	129	45

NOTE.—Accounts current are drawn from the Ledger, referring to the Day Book when particulars are wanted. See that the account and the Ledger balance alike, and as soon as Wilson admits the correctness of the account, you should close his account on the Ledger, and bring the balance down, requesting him to make his books conform to the settlement. Many persons keep their books in such a slovenly manner that they never show their settlements; in consequence of which they are perpetually pestering their neighbors in business for statments of old settled accounts. Attention to the above directions in this matter will save trouble to both parties.

LEDGER ACCOUNTS.

AND EXERCISES THEREON.

The purpose of the exercises, in connection with the following explanation of the various accounts which occur in the most simple business operations, is to elucidate the initial difficulties of the science.

We have found by experience that it is almost impossible to make a pupil, who has no knowledge of the subject, understand the Journal until he is made acquainted with the nature and disposition of the accounts in the Ledger. How, for instance, can we explain to a

beginner such an expression as "Cash Dr. to Stock," but by taking him to the Ledger and there explaining to him the Cash and Stock Accounts and the manner and object for keeping them? Until he has the Ledger explained to him in some way, the language of the Journal must remain unintelligible to him; and to this may be ascribed the ill-success in teaching Book-keeping from some of the most popular treatises in use in our public schools; in which, after bewildering the pupil with rules and lectures upon journalizing, they conclude with what ought to be first explained,—the Ledger.

A faithful adherence to the instructions given on the following Ledger Accounts will enable the learner to record, readily and correctly, the exercise in connection with each; which should be written on a Skeleton Ledger, ruled by the pupil himself, similar to the following form :—

CASH EXERCISE.—Commenced business with a cash capital of $8500. Bought merchandise and gave in payment cash $1500. Borrowed of A. B. $300. Paid rent of store $250. Lent W. Snow $300. Sold for cash a bill of goods amounting to $1000.

Required the amount of cash on hand.

DR.		CASH.	CR.
8500		1500	
300		250	
1000		300	
		Bal. on hand 7750	
9800		9800	

CASH.—This account is kept to show the amount of cash received, the amount paid out and the balance on hand at any time. All amounts of cash received are placed on the *debit* side of this account, and all amounts paid out on the *credit* side; consequently, the *debit* side shows the amount received, and the *credit* side the amount parted with.

THE BALANCE ON HAND is ascertained by deducting the total credit from the total debit. The debit side is always the larger as long as there is any cash on hand, since cash must be received before it can be paid out. This account is closed "By Balance."

Exercise.—Cash invested $12000. Paid for rent $400. Borrowed of George Sherry $175. Paid for merchandise $6500. Received for merchandise $400. Received from George Sherry $100. Paid on our note $250. Received on B. Canniff's note 400. Lent W. Ross $200. Paid George Sherry $275. Lost $100. Received from W. Ross $100. Found $250. Paid for coal $40.

Required the amount of cash on hand?

Merchandise and other Speculative Accounts.—Merchandise account is kept to show the cost and proceeds of merchandise, and as a consequence, the gains or losses thereon. Merchandise is *debited* with the amount on hand at commencing business and with the cost of all purchases. It is *credited* with all sales of merchandise, consequently, the *debit* side shows its *cost*, and the *credit* side its *proceeds*. When all is sold the difference between the two sides will be a gain or loss. If a portion of goods remain unsold, the account must be credited by this balance, prior to closing, as an off-set thus far against its cost. If the *debit* side is the larger it is closed "By Loss and Gain," if the *credit* side is the larger it is closed "To Loss and Gain." Real Estate, Bank Stock, Railroad Stock, Steamboat Stock, Shipment Accounts, and all other speculating property accounts, are kept for the same purpose, and treated in the same manner as Merchandise account.

Exercise.—Have on hand merchandise valued at $19000. Sold for cash as per sales book $2300. Sold for note a bill amounting to $3000. Bought on account bill of cotton $400. Sold A. B. on account bill amounting to $1500. Sold R. S. on his acceptance a bill amounting to $2000. Bought as per invoice broadcloth at $1500. Sold for cash a bill of goods at $3100.

Vaule of unsold merchandise $8450 25.

Required the gain or loss on merchandise?

Bills Receivable.—The object in keeping this account is, that you may know the amount of other persons' notes received, the amount that has been disposed of and the notes in hand. This account is debited with the amount received, and credited with the amount of notes disposed of; therefore the debit side shows the amount of notes received and the credit side the amount parted with. The debit side is always the larger, if either, and the excess shows the balance of notes in hand. When all the notes received have been disposed of this account closes itself; but, if any remain unpaid, it is closed "By Balance."

Exercise.—Have on hand the following Bills Receivable:—R. Gordon's note for $740. J. Dixon's for $800. S. G. Beatty's for $950. Sold A. Wilson on his note merchandise $580. Received of W. Diamond his note, in full of account, $450. R. Gordon pays cash for his note $740. Sold W. Barber merchandise, and received in payment his draft on A. Foster for $400. S. G. Beatty redeems his note for $950. Had A. Wilson's note discounted at the Merchant's Bank, face of note $580. Bought merchandise and gave in payment J. Dixon's note $800.

Required the amount of notes on hand?

Bills Payable.—This account is kept that you may know the amount of your notes issued, the amount taken up or redeemed, and the balance still outstanding against you. On the credit side are entered all notes issued, and on the *debit* side all notes redeemed; hence the *credit* footing shows the amount of notes issued and the *debit* footing the amount of notes redeemed. The *credit* side is always the larger, if either, and the excess shows the balance of notes outstanding unpaid. When all the notes issued are paid, this account closes itself, but if any remain unpaid, it is closed "To Balance."

Exercise.—Have the following notes outstanding; one in favor H. Card for $425. One in favor of P. Grass for $500. An accepted draft, favor N. Day for $250. Bought on our note merchandise amounting to $750. Sold merchandise and received in payment our note favor of H. Card $425. Paid cash for our note favor of P. Grass $500. Gave Peter Mann our note in settlement of account, $375.

Required the amount of our outstanding Bills?

Bonds and Mortgages Receivable are a class of Bills Rec. and might be kept under that head, but a separate account is often opened for them which is treated precisely like Bills Receivable.

Bonds and Mortgages Payable are a class of Bills Payable, and treated precisely like them.

Bank.—When a Bank account is kept it is similar in its treatment to Cash and Bills Receivable, the *debit* side showing the amount of value deposited in bank and the *credit* side the amount checked out; consequently the difference is a balance in bank; it is closed "By Balance."

Expense, Insurance, Charges, Interest and Discount, and similar accounts are kept to ascertain what they cost you, what they produce you, and as a consequence whether you gain or lose thereon. Excess of *debit* shows a larger amount of cost than proceeds, and a

consequent loss upon the account; while excess of *credit* shows a larger amount of proceeds than cost, and a consequent gain. These accounts are closed "To" or "By Loss and Gain."

Exercise—Paid for clerk hire, $425. Paid gas bill, $30. Paid rent $200. Paid for postage, $5; revenue stamps, $2. Paid for stationery $40. Paid freight, $15.

Required, The loss on incidental expenses?

Personal Accounts.—Accounts are kept with persons to show your business dealings with them. A person is debited when he receives value from you; in other words, when he costs you value, and he is credited when he produces you value in any way. Therefore, whenever you do a job of work for any person, or sell him anything, or pay him money, or he in any other manner becomes indebted to you, he must be charged (or debited) with the same, to show that *he owes you.* And whenever any person sells you anything, pays you money, or does work for you, or you in any other manner become indebted to him, he must be credited with the same, to show that *you owe him.* The *debit* side of a Personal account shows the amount of your account against the person, and the *credit* side shows the amount of his account against you. The difference shows the balance either due you or due him. These accounts are closed either "To Balance," or "By Balance."

Exercise—Robert Jones owes us $5,000. Received on account of Robt. Jones $300. Sold merchandise to A. Brown, on account, for $1,500. Lent James Smith, $750. Borrowed of Thomas Graves $800. Sold merchandise to Robert Jones, on account, for $3,000. Received on Robt. Jones' account his note for $1,500. Received of A. Brown, on account, cash $700. Received of James Smith, cash $750. Received on Robert Jones' account, John Jones' note for $2,000. Drew a draft on Robert Smith for balance of his indebtedness, $——.

Required, The standing of each of the personal accounts named?

Stock, as a Ledger title, means simply the proprietor of the business. It is your representative when conducting business without a partner, and is used instead of your own name.

Debts at starting, sums drawn out during the continuance of business, and net loss at closing, are placed upon the *debit* side of Stock. Effects invested at starting, sums invested during the business, and net gain at closing, are placed upon the *credit* side. After

receiving the gains or losses, if the credit side of this account is the largest, the difference or excess is your *net capital.* If the debit side is the largest, the excess is your *net insolvency.* It is closed "To," or "By Balance."

Where more than one proprietor is represented, an account is opened for each, and the net investment or insolvency of each proprietor is shown in the same manner under his proper name.

INVESTMENT—SINGLE PROPRIETORSHIP.—Invested in business $9,000. Assumed to pay from the business a private debt of $450. Drew out for private expenses $675. The gains during the year amount to $8,000, which are retained in the business.

Required, The proprietor's net worth at the end of the year?

INVESTMENT—PARTNERSHIP.—A. and B. are partners. A. invests in cash $6,000. B., in stock, fixtures, etc., $8,500. A. draws out for private purposes, $475. The concern agrees to pay a personal debt of B.'s of $800. A. adds to his investment $1,000. The net loss during the year amounts to $1,200, each partner sharing equally.

Required, The standing of each partner at the end of the year?

QUESTIONS FOR REVIEW—CHAPTER 1.

What is Book-Keeping? How many distinct methods of keeping accounts are there? What is the distinction between Single and Double Entry? Why is the Double Entry system to be preferred? What great feature of Double Entry particularly commends it to business men? What do the terms "debtor" and "creditor" signify? What does an entry on the Dr. side of an account signify? What does an entry on the Cr. side of an account signify? What are the main books used in Double Entry? Describe the Day Book. What is the object of the Journal? What is the Ledger and what is its principal use? What is posting? What is the object of keeping personal accounts in the Ledger? Define Bills Receivable. Of what may Bills Receivable consist? Define Bills Payable. Of what may Bills Payable consist?

What is an Account? What should be observed when an account is drawn from the Ledger? What is the object of keeping a Cash account in the Ledger? When are entries made on the Dr. and when on the Cr. side of this account? How is Cash account closed? How are merchandise and other speculative accounts conducted and closed? How is the Bills Receivable account kept? How is the Bills Payable account conducted and closed in the Ledger? How are accounts of Bonds and Mortgages treated? How is a Bank account kept? For what purpose are accounts of Expense, Insurance Charges and Interest kept, and how are they closed? Describe the object and manner of keeping Personal Accounts. Define Stock as a Ledger title. How is Stock account conducted and closed?

CHAPTER II.

DOUBLE ENTRY.

We introduce the learner, at once, to Double Entry Book-keeping, omitting any special instructions in Single Entry until the student has become familiar with the principles of the former system, for the reasons, first, that we desire not to distract the mind from the more important considerations bearing upon the science of accounts; and, secondly, because a student who has mastered Double Entry requires nothing more than a perusal of Single Entry to understand it.

In Double Entry Book-keeping you look beyond persons for your debtors and creditors, and keep accounts not only with individuals, but also with different kinds of property, and with the different branches of your gains and losses in business. Accounts kept with persons represent your business relations with those persons; accounts kept with the different species of property in which you deal, represent your business relations with those different kinds of property, and accounts with the various branches of your gains and losses, represent *you* as gaining or losing in business.

The distinguishing feature of Double Entry consists in carrying out a mathematical principle of equilibrium, under the titles of *debtor* and *creditor*.

The variations introduced in the manner of working the following, sets are merely peculiarities. The particular method or form in which books are kept is not essential, as long as they conform to the principle of equal debit and credit.

BOOKS USED.

The principal books used are the Day Book, Journal, and Ledger. The auxiliary Books vary according to the nature of the business, and are the Cash Book, Bill Book, Invoice Book, Sales Book, Letter Book, Receipt Book, Account sales Book, etc.

NOTE—Knowing, from experience, the advantage to be derived from adopting the direct address in teaching, the author has made use of pronouns of the first and second person, instead of the third, and is confident that those who peruse with a desire to obtain information, will be pleased that all formality has been laid aside, and the conversational style adopted instead. To those whose sole object is criticism, it need only be said, the book was not written for their pleasure.

The auxiliary books used depend in all cases upon the nature of the business transactions; but as a knowledge of the auxiliaries is easily obtained, it is not thought best to encumber the mind of the student with them at first, and they are accordingly omitted until a subsequent part of the work.

DAY BOOK.

This book is sometimes called *The Blotter*, and it is not an inappropriate name for some people's Day Books. It should contain a concise and comprehensive history of the merchant's business transactions; commencing with an inventory of his effects, and the debts due him also of the debts due by him to others.

After this his business transactions should be recorded, at the time and in the order in which they occur. Every entry should embrace the following particulars: 1st, the date; 2d, the person or account; 3d, what you have bought or sold, paid or received; 4th, the terms of payment; 5th, the articles, quantities, prices and amounts.

In writing this book, everything should be clearly expressed in as uniform a style as possible, and the use of ambiguous words and phrases carefully avoided.

JOURNAL.

The purpose of the Journal is to arrange all the transactions from the Day Book in such a manner that each Ledger title shall be affixed to its respective Debit or Credit, and thus render the posting into the Ledger less liable to omissions and errors.

The transactions of a very extensive business may be entered upon the Day Book in the Journal form, in such a manner as to be posted without difficulty and without the intervention of the Journal. This, however, can only be done by those who understand the Journal; and a correct knowledge of the language and principles of this book is an important and somewhat difficult part of the science of accounts to acquire.

LEDGER.

The Ledger is a book into which all sums entered into the Day Book are transferred, an account being opened with each different person, with the different kinds of property you deal in, and with the different branches of your gains and losses, into which every

debit and credit made to those accounts is collected. The transferring of accounts to the Ledger is called posting. The advantages of having the items of accounts thus collected are, that, by looking at any account in the Ledger, you can see at a glance your whole dealings with that person, or thing, and if it be a personal account the balance which is due him or you, which you could not find without much trouble and great liability to error if the amounts of debit and credit were all left standing scattered through the Day Book.

DIRECTIONS FOR JOURNALIZING.

JOURNALIZING is ascertaining the proper *Drs.* and *Crs.* of business transactions recorded in the Day Book, and writing them in the Journal. This requires thought and study. Whenever a transaction occurs, the book-keeper should reflect for a moment, and see what part of the property is affected by that transaction, and then the accounts that represent that property are the accounts to be made *Dr.* and *Cr.* Every *Dr.* must have a corresponding *Cr.* of equal amount, and every *Cr.* must have a corresponding *Dr.* of equal amount. If the transaction takes from one part of your property and adds to another, the amount from which it is taken is made *Cr.*, and the one to which it is added is made *Dr.* Whenever you buy property, the account representing that property is made *Dr.* to what you give in payment for it; or, if you buy it on trust, it is *Dr.* to the person that trusted you; and when you sell that property, it is made *Cr.* by what you receive in payment for it; or, if it is sold on credit, it is *Cr.* by the person trusted.

For example, if you buy merchandise of A. Brown, on account, $500, Merchandise would be *Dr.* to A. Brown, $500, and A. Brown *Cr.* by Merchandise, $500. If you pay him cash for it, Cash would be *Cr.;* if your note, Bills Payable would be *Cr.* Or if you sell merchandise on account to J. Meudell, he would be made *Dr.* to Merchandise, and Merchandise *Cr.* by J. Meudell. If he paid you cash, Cash would be *Dr.*, or gave you his note, Bills Receivable would be *Dr.* If you gave your note to A. Brown on account, he would be made *Dr.* to Bills Payable, and Bills Payable *Cr.* by A. Brown. When you redeem that note with cash, Bills Payable would be *Dr.* to Cash, and Cash *Cr.* by Bills Payable. If J. Meudell gives you his note on account, Bills Receivable would be made *Dr.*

to J. Meudell, and J. Meudell *Cr.* by Bills Receivable. When he redeems that note with cash, Cash would be *Dr.* to Bills Receivable, and Bills Receivable *Cr.* by Cash.

Journalizing is considered the most scientific part of Book-keeping, but will not be found difficult if you only learn thoroughly the following

RULE FOR JOURNALIZING.—"*Debit what costs value or the thing received.*" "*Credit what produces value or the thing parted with.*"

The above rule is the *Key* to the principle of Double Entry Book-keeping, and a good understanding of it at the commencement will save time and many vexatious moments as you become further advanced.

Those persons are *Debtors* who owe us.

Those persons are *Creditors* whom we owe.

There is no value to any transaction that does not give rise to a *Debit* and *Credit.*

EXERCISES IN JOURNALIZING.

Every Dr. must have a Cr. of equal amount, and every Cr. a Dr. of equal amount.

Transactions.	*Journalized.*		
1—Bought of S. G. Beatty, on acc't, mdse. amounting to $4,500.	1 Mdse. Dr.	$4,500	
	To S. G. Beatty,		$4,500
2—Sold W. B. Robinson, on acc't, mdse., $750.	2—W. B. Robinson Dr.	750	
	To Mdse.,		750
3—Paid S. G. Beatty, cash on acc't, $400.	3—S. G. Beatty Dr.	400	
	To Cash,		400
4—Received from W. B. Robinson cash on acc't, $500.	4—Cash Dr.	500	
	To W. B. Robinson,		500
5—Sold Geo. Sherry on his note at one month, mdse., $200.	5—Bills Receivable Dr.	200	
	To Mdse.,		200
6—Bought of S. G. Beatty, on my note, mdse., $800.	6—Mdse. Dr.	800	
	To Bills Payable,		800
7—Geo. Sherry has paid his note in cash, $200.	7—Cash Dr.	200	
	To Bills Receivable,		200
8—Paid my note to S. G, Beatty in cash, $800.	8—Bills Payable Dr.	800	
	To Cash,		800
9—Received from W. B. Robinson cash to balance his acc't, $250.	9—Cash Dr.	250	
	To W. B. Robinson,		250
10—Bought of F. Rous mdse., $2,000. Gave in payment my note for $1,000, and cash for the balance, $1,000.	10—Mdse. Dr.	2,000	
	To Bills Payable,		1,000
	" Cash,		1,000
11—Sold R. Gordon mdse, $800. Received in payment his note for $500, and cash for the balance, $300.	11—Bills Receivable Dr.	500	
	Cash "	300	
	To Mdse.		800

12—Sold J. Smith mdse., $800. Received in payment his note for $500, balance ($300) to remain on account	12—Bills Receivable Dr. 500 J. Smith, " 300 To Mdse. 800
13—Exchanged R. Gordon's note, $500, and J. Smith's $500, with F. Rous, for my note, $1.000.	13—Bills Payable Dr. 1,000 To Bills Receivable, 1,000
14—J. Smith has remitted me a draft at thirty days on R. Brown for $300, which R. Brown accepts.	14—Bills Receivable Dr. 300 To J. Smith, 300
15—Commenced business with cash, $1,500, mdse. $4,000, and notes against sundry persons, $2,000.	15—Cash Dr. 1,500 Mdse. " 4,000 Bills Receivable " 2,000 To Stock, 7,000
16—Bought mdse. $750, and paid the amount in other mdse. from store.	16—Mdse. Dr. 750 To Mdse. 750
In making entries similar to the above, remember that when property becomes yours it is Dr. for its cost, and when it is parted with it is Cr. with its proceeds.	*Note.*—Some contend that an entry for such a transaction is unnecessary—that it is like giving change for a $10 bill. But if such transactions are not recorded your merchandise account will not show the amount of your purchases nor the amount of your sales.
17—Paid cash for gas bill $24; taxes $50; repairing store $35; wood $30; coal $25; cleaning store $5.	17—Expense Dr. $169 To Cash, $169
18—Thomas Brown owes you $500, but being unable to pay the amount you compromise by accepting $400 cash in full payment.	18—Cash Dr. 400 Loss and gain " 100 To Thomas Brown, 500 In this case you give him credit for the whole debt, in order to close his account, and Dr. Loss and Gain with the amount lost.

RECORD OF TRANSACTIONS.

A Business Transaction consists nominally in an *exchange* of *values;* and each complete record of a transaction is based upon the theory that something is *received* and something *given.* This theory, however, is not always literally, though it may be constructively, true.

One unvarying condition of a transaction is that its *complete* record requires at least *two* entries—one to the *debit* of some account, and one to the *credit* of some other account. Frequently, however, the record may involve more than two accounts; but under any circumstances, the *sum* of the debit and credit entries must be equal.

Preserving the *equality* of debits and credits, the records of a transaction may require any one of the following four forms:

1. One debit and one credit.
2. One debit and two or more credits.
3. Two or more debits and one credit.
4. Two or more debits and two or more credits.

The main object of business record is to show at any time *the condition of the business;* in other words, *what the concern is worth.* Inasmuch, moreover, as the real or net worth of a concern is *the difference between its property and debts,* it follows that any adequate system of business record must secure the ready means of ascertaining these necessary items.

The following set is worked out in full, in order to show the pupil the proper form of carrying the transactions through the different books, and should be thoroughly understood in every particular before proceeding further.

The transactions are first taken from the "Record," which is supposed to be a memorandum of the merchant's business transactions in the date and order of their occurrence, and arranged properly in the Day Book, after which they are journalized and posted.

A faithful adherence to the foregoing instructions and applications will enable the pupil to record, readily and correctly, the following exercise, which should be first written on Skeleton paper prepared for that purpose, or on blank paper ruled up by the student himself.

ACCOUNTS TO BE OPENED IN LEDGER, WITH NUMBER OF LINES REQUIRED FOR EACH.

For the benefit of the student, and in behalf of economy in the use of Ledger paper, we give below the number of lines required for each account in the four following sets.

This apportionment, it will be borne in mind, provides for the Ledger heading, and also for the necessary space to close up the accounts in due form.

SET I.—Stock 5, Cash 13, Flour 8, Wheat 13. Bills Payable 9, Bills Receivable 7, James Rimmer 8, W. Lingham 5, Robert Thompson 6, H. Corby 7. James Miller 4. Expense 6, Loss and Gain 6, Balance 9.

SET II.—Stock 6, Cash 15, Merchandise 17, W. L. Hamilton 7, Sanderson & Co. 6, A. H. Skinner 6, B. M. Carman 7, R. S. Thompson 5, Expense 8, Loss and Gain 6, Balance 9.

SET III.—Stock 6: Cash 14, Merchandise 13, Bills Payable 7, Bills Receivable 8, Muir & Co. 6, Geo. Sherry 6, S. G. Beatty 6, H. Warren 5, Thos. Moore 7, Expense 9, Loss and Gain 7, Balance 9.

SET IV.—Stock 6, Cash 12. Merchandise 12, Bills Receivable 8, Bills Payable 8, G. S. Tickell 5, Jakes & Hayes 6, G. W. Maybee 5, H. Corby 5, Expense 8, Interest 5, Loss and Gain 8, Balance 7.

SET I—PRODUCE BUSINESS.

It is expected that the student will not merely copy the exercises in connection with this set, but that he will work them out for himself according to the forms given.

RECORD OF TRANSACTIONS.

BELLEVILLE, January 1, 1874,—

Commenced business, investing as follows: Cash, ...	$4,000	50
500 bbls. Extra Flour, at $6,00,...	3,000	00
800 bush. Fall Wheat, at $1,25,...	1,000	00
2—Bought of W. Lingham, for cash, 50 bbls. Superfine Flour, at $6,00, ...	300	00
" Sold James Rimmer, on acc't, 100 bush. Fall Wheat at $1,50,	150	00
Bought of H. Corby, on my note, 200 bush. Spring Wheat, at $1,00, ...	200	00
3—Sold Robt. Thompson, on acc't, 400 bu. Fall Wheat, at $1,50	600	00
" Bought of W. Lingham, on my note, 100 bbls. Superfine Flour, at $6,50, ...	650	00
" Bought of Jas. Wilson, for cash, 200 bu. Fall Wheat, at $1,50	300	00
4—Sold John Smith, for his note, 100 bush. Fall Wheat, at $1,75	175	00
" Received of James Rimmer, on acc't, cash, ...	100	00
5—Bought for cash, 400 bush Fall Wheat, at $1,40,....	560	00
" Sold James Johnson, for note, 100 bu. Spring Wheat at $1,20	120	00
6—Bought of H. Corby, on acc't, 500 bbls. Extra Flour, at $6,00	3,000	00
" Sold James Miller, on acc't, 200 bbls. Extra Flour, at $6,50,	1,300	00
" Sold for cash 100 bush. Spring Wheat, at $1,25,.....	125	00
8—Sold James Rimmer, on acc't, 200 bush. Fall Wheat, at $1,40	280	00
" Received of James Miller his note in full of acc't.	1,300	00
9—Paid cash for sundry items of expense,....	25	50
" Sold Robt. Thompson on acct. 250 bush. Fall Wheat at $1.50	375	00
10—Bought of W. Lingham, on acc't, 450 bush. Spring Wheat, at $1,00, ...	450	00
" Paid H. Corby, cash on acc't,.....	1,000	00
11—Sold Robert Brown 200 bush. Spring Wheat, at $1,25,.....	250	00
100 bush. Fall Wheat at $1,30, ...	130	00
Received in payment his note for $150, cash for bal.. $230		
12—Bought of W. Lingham, on my note, 50 bbls. Extra Flour, at $6,30.	315	00
" Paid cash for my note of the 3d inst . favor of W. Lingham,	650	00
13—Sold J. Rimmer, on acc't, 200 bbls. Extra Flour, at $7,00,...	1,400	00
15—Paid cash in full for my note, favor H. Corby, ...	200	00
" Received of R. Thompson, cash in full of acc't,.....	975	00
" Received cash in full for J. Smith's note of the 4th instant,	175	00
16—Gave H. Corby my note on acc't, ...	1,000	00
17—Bought of W. Lingham, on acc't, 550 bush. Spring Wheat, at $1,00, ...	550	00
" Sold J. Rimmer, on acc't, 150 bbls. Superfine Flour, at $8.00,	1,200	00
" Received cash, in full for J. Johnson's note of the 5th inst.,	120	00
18—Paid sundry expenses in cash,.....	140	00

SPECIMEN DAY BOOK.

TO THE STUDENT.

After becoming familiar with the preceding instructions, and tracing through the examples on journalizing, given on page 29, you may write up the Day Book according to the following form, then lay aside the printed book and on a sheet of waste paper journalize the entries of the Day Book, after which compare with the printed journal to see if you have journalized correctly; then post to the Ledger as directed in explanations on posting, independent of the printed book, and make out your Trial Balance and statements:—

BELLEVILLE, January 1st, 1874.

		*———this day commences the Produce Business at No. 128 Front Street, renting store from F. Johnson, and investing as follows:—					
	36	Cash		4000	50		
†Extra		500 bbls. Flour	6 00	3000	00		
Fall.		800 bush. Wheat	1 25	1000	00	8000	50
		——— 2 ———					
	36	Bought of W. Lingham for cash,					
Super.		50 bbls Flour	6 00			300	00
		——— " ———					
	36	Sold James Rimmer on acct.,					
Fall.		100 bush. Wheat	1 50			150	00
		——— " ———					
	36	Bought of H. Corby on my note,					
Spring		200 bush Wheat	1 00			200	00
		——— 3 ———					
	36	Sold Robt. Thompson on acct.,					
Fall.		400 bush. Wheat	1 50			600	00
		——— " ———					
	36	Bought of W. Lingham on my note,					
Super.		100 bbls. Flour	6 50			650	00
		——— " ———					
	36	Bought of James Wilson for cash,					
Fall.		200 bush. Wheat	1 50			300	00
		——— 4 ———					
	36	Sold John Smith for his note,					
Fall.		100 bush. Wheat	1 75			175	00
		*Student to use his own name. Amt forward.				10375	50

† The margin to the left is for the description or mark of the articles, in order that they may be readily referred to.

NOTE.—The figures in the narrow column to the left refer to the pages of the Journal upon which the transactions have been journalized.

BELLEVILLE, January 4th, 1874.

		Carried over				10375 50
	36	Received of James Rimmer on account, Cash				100 00
		—— 5 ——				
	36	Bought for cash,				
Fall.		400 bush. Wheat	1 40			560 00
		—— " ——				
	37	Sold James Johnson for his note,				
Spring		100 bush. Wheat	1 20			120 00
		—— 6 ——				
	37	Bought of H. Corby on acct.,				
Extra.		500 bbls. Flour	6 00			3000 00
		—— " ——				
	37	Sold James Miller on acct.,				
Extra.		200 bbls. Flour	6 50			1300 00
		—— " ——				
	37	Sold for cash,				
Spring		100 bush. Wheat	1 25			125 00
		—— 8 ——				
	37	Sold James Rimmer on acct.,				
Fall.		200 bush. Wheat	1 40			280 00
		—— " ——				
	37	Received of James Miller his note, in full of acct.				1300 00
		—— 9 ——				
	37	Paid cash for sundry expenses				25 50
		—— " ——				
	37	Sold Robt. Thompson on acct.,				
Fall.		250 bush. Wheat	1 50			375 00
		—— 10 ——				
	37	Bought of W. Lingham on acct.,				
Spring		450 bush. Wheat	1 00			450 00
		—— " ——				
	37	Paid H. Corby cash on account				1000 00
		—— 11 ——				
Spring	37	Sold Robert Brown 200 bush. Wheat	1 25	250	00	
Fall.		100 bush Wheat	1 30	130	00	380 00
	37	Received in payment his note 150				
		Cash for the balance 230				
		—— 12 ——				
	37	Bought of W. Lingham on my note,				
Extra.		50 bbls. Flour	6 30			315 00
		—— " ——				
	37	Paid cash for my note of the 3rd inst.				650 00
		—— 13 ——				
	37	Sold J. Rimmer on acct.,				
Extra.		200 bbls. Flour	7 00			1400 00
		—— 15 ——				
	37	Paid cash in full for my note favor H. Corby				200 00
		Amt. forward				21956 00

BELLEVILLE, JANUARY, 15, 1874.

		Carried over			21956	00
	38	Received of R. Thompson, cash in full of acct.,			975	00
		—— " ——				
	38	Received cash in full for Jno. Smith's note of the 4th inst.			175	00
		—— 16 ——				
	38	Gave H. Corby my note on acct.			1000	00
		—— " ——				
Spring	38	Bought of W. Lingham on acct., 550 bush. Wheat	1 00		550	00
		—— " ——				
Super.	38	Sold James Rimmer on acct., 150 bbls. Flour	8 00		1200	00
		—— " ——				
	38	Received cash in full for J. Johnson's note of the 5th inst.			120	00
		—— 18 ——				
	38	Paid cash for sundry expenses			140	00
		—— " ——				
		* Inventory of goods unsold:			26116	00
		600 bbls. Extra Flour, at	$6 00	$3600		
		50 " " "	6 30	315		
		200 bush. Fall Wheat, at	1 25	250		
		50 " " "	1 40	70		
		800 " Spring "	1 00	800		
		Total,		$5035		

* The value of unsold property is not necessarily measured by its cost nor its selling price, although in ordinary cases the cost standard is adopted in taking "account of stock." The proper standard of value is the cost of the goods in the purchasing market; or what it would cost to replenish them.

SPECIMEN JOURNAL.

Some business men require their Journal to embody brief explanations of their transactions; but we do not introduce this plan now, because, in his incipient steps, everything that takes his attention off the LEDGER TITLES has a tendency to perplex and embarrass the learner. Familiarity with the following form will prepare the student for using any other without difficulty:

BELLEVILLE, January 1, 1874.

41	Cash Dr.			$4,000	50		
41	Flour "		33	3,000	00		
41	Wheat "			1,000	00		
41	To Stock,					$8,000	50
	—— 2 ——						
41	Flour Dr.		33	300	00		
41	To Cash,					300	00
	—— " ——						
42	James Rimmer Dr.		33	150	00		
41	To Wheat,					150	00
	—— " ——						
41	Wheat Dr.		33	200	00		
42	To Bills Payable,					200	00
	—— 3 ——						
42	Robert Thompson Dr.		33	600	00		
41	To Wheat,					600	00
	—— " ——						
41	Flour Dr.		33	650	00		
42	To Bills Payable,					650	00
	—— " ——						
41	Wheat Dr.		33	300	00		
41	To Cash,					300	00
	—— 4 ——						
42	Bills Receivable Dr.		33	175	00		
41	To Wheat,					175	00
	—— " ——						
41	Cash Dr.		33	100	00		
42	To James Rimmer,					100	00
	—— 5 ——						
41	Wheat Dr.		33	560	00		
41	To Cash,					560	00
	Am'ts forward,			$11.035	50	$11,035	50

NOTE.—The figures in the narrow columns are the pages of the Day Book and Ledger; those to the left are Ledger folios, and those to the right Day Book folios.

BELLEVILLE, January 6th, 1874.

	Carried over.		$11,035 50	$11,035 50
42	Bills Receivable Dr.	34	120 00	
41	To Wheat,			120 00
	—— 6 ——			
41	Flour Dr.	34	3,000 00	
43	To H. Corby,			3,000 00
	—— " ——			
43	James Miller Dr.	34	1,300 00	
41	To Flour,			1,300 00
	—— " ——			
41	Cash Dr.	34	125 00	
41	To Wheat,			125 00
	—— 8 ——			
42	James Rimmer Dr.	34	280 00	
41	To Wheat,			280 00
	—— " ——			
42	Bills Receivable Dr.	34	1,300 00	
43	To James Miller,			1,300 00
	—— 9 ——			
43	Expense Dr.	34	25 50	
41	To Cash,			25 50
	—— " ——			
42	Robert Thompson Dr.	34	375 00	
41	To Wheat,			375 00
	—— 10 ——			
41	Wheat Dr.	34	450 00	
42	To W. Lingham,			450 00
	—— " ——			
43	H. Corby Dr.	34	1,000 00	
41	To Cash,			1,000 00
	—— 11 ——			
42	Bills Rec. Dr.	34	150 00	
41	Cash "		230 00	
41	To Wheat,			380 00
	—— 12 ——			
41	Flour Dr.	34	315 00	
42	To Bills Payable,			315 00
	—— " ——			
42	Bills Payable Dr.	34	650 00	
41	To Cash,			650 00
	—— 13 ——			
42	J. Rimmer Dr.	34	1.400 00	
41	To Flour,			1,400 00
	—— 15 ——			
42	Bills Payable Dr.	34	200 00	
41	To Cash,			200 00
	—— " ——			
41	Cash Dr.	35	975 00	
42	To R. Thompson,			975 00
	Amts. forward,		$22,931 00	$22,931 00

BELLEVILLE, January 15, 1874.

	Carried over,		$22,931 00	$22,931 00
41	Cash Dr.	35	175 00	
42	To Bills Receivable,			175 00
	—— 16 ——			
43	H. Corby Dr.	35	1,000 00	
42	To Bills Payable,			1,000 00
	—— 17 ——			
41	Wheat Dr.	35	550 00	
42	To W. Lingham,			550 00
	—— " ——			
42	J. Rimmer Dr.	35	1,200 00	
41	To Flour,			1,200 00
	—— " ——			
41	Cash Dr.	35	120 00	
42	To Bills Receivable,			120 00
	—— 18 ——			
43	Expense Dr.	35	140 00	
41	To Cash,			140 00
			$26,116 00	$26,116 00

LEDGER.

You have now finished the most difficult part of your task, the problem having been solved, and for each Debit there having been found a corresponding Credit. This, in the main, is the science of Double Entry Book-keeping, the remaining part being considered as a mechanical operation. The Journal items having been prepared, you will now carry them to the Ledger, or *post* them.

Posting—Each different account found in the Journal must have a place in the Ledger, and the carrying to that account from the Journal, all for which it is Debited or Credited, is called *posting*.

The Ledger is usually opened by placing Stock,* or the Partners' names at the beginning, in a clear text hand, followed by the most prominent accounts, such as Cash, Merchandise, Bills Payable, Bills Receivable, etc., as shown in Model Ledger. Insert the abbreviations Dr. and Cr. at the top of the page only. In expressing the entry upon the Ledger, it will be seen that a debit is always "To" that account which receives credit for the sum, and the Cr. account expresses the same entry "By" the account that was made Dr. for the same sum.

Now, under each account, you place all the items that belong to it, found in the Journal, transferring the entries from the Journal to the Ledger in the order they occur.

You first turn to Cash Account, and on the Dr. side place the words "To Stock." This signifies that Cash or the Cash Account owes Stock for the amount of investment. In the first ruled column, called the folio column, you place the page of the Journal, and in the next columns the amount. You next turn to the Cr. side of the Stock Account and place the words "By Cash," signifying that Stock is credited by Cash, and carry the Journal page, or folio, to first column and amount to next columns, and thus proceed carrying all the Joural entries to their respective places in the Ledger. Then you will find in the Ledger, as in the Journal, for each debit there is a corresponding credit.

The learner will acquire the process of posting more readily by seeing it done on printed Ledger than by any other means.

* The Stock Acct. is almost universally used by Accountants instead of the proprietor's name; but it is rather an ill-chosen title, as young Book-keepers are apt to confound it with the Merchandise Acct. The term CAPITAL or some other title that would better express the nature of the Acct. would be more appropriate. We will not, however, conflict with established usages by changing the title of this account.

INDEX TO THE LEDGER.

This is a small book, or space ruled in the account book, in which are arranged, in alphabetical order, the names of all accounts in the Ledger, together with the pages on which such accounts are entered.

The object of keeping it is to enable us to refer readily to accounts in the Ledger. Whenever we open an account in the Ledger, we enter the name of the account and the number of the page in the Index. If an account should be transferred to another page, a red line should be ruled through the figures of the old page, and the number of the new page placed in the Index.

In real business the Index generally has a page allotted to each letter. The following illustration will be sufficient to explain how it is kept:

A	Page.	K	Page.
B		L	
Bills Receivable.	42	Lingham, W.	42
Bills Payable.	42	Loss and Gain.	43
Balance.	43		
C		M	
Cash.	41		
Corby, H.	43		
D		N	
E		O	
Expense.	43		
F		P	
Flour.	41		
G		Q	
H		R	
		Rimmer, James.	42
I		S T	
		Stock.	41
J		U V W	
		Wheat.	41

CAUTION.—Always Index an account before entering it in the Ledger. Without this precaution it may be forgotten and a second account opened with the same individual; and unimportant as this may appear, it often leads to very troublesome mistakes.

SPECIMEN LEDGER.

STOCK.

Dr. (Amounts withdrawn and Loss, if any.)							Cr. (Investments and Gain if any.)			
					1874					
					Jan.	1	By Sundries,	36	8,000	50
					"	20				

CASH.

(Received.)							(Paid out.)			
Jan.	1	To Stock,	36	4,000	50	Jan. 2	By Flour,	36	300	00
"	4	" J. Rimmer,	36	100	00	" 3	" Wheat,	36	300	00
"	6	" Wheat,	37	125	00	" 5	" "	36	560	00
"	11	" "	37	230	00	" 9	" Expense,	37	25	50
"	15	" R. Thompson	37	975	00	" 10	" H. Corby,	37	1,000	00
"	"	" Bills Rec.,	38	175	00	" 12	" Bills Pay..	37	650	00
"	17	" "	38	120	00	" 15	" "	37	200	00
						" 18	" Expense,	38	140	00

FLOUR.

(Cost.)							(Proceeds.)			
Jan.	1	To Stock,	36	3,000	00	Jan. 6	By J. Miller,	37	1,300	00
"	2	" Cash,	36	300	00	" 13	" J. Rimmer,	37	1,400	00
"	3	" Bills Pay.,	36	650	00	" 17	" "	58	1,200	00
"	6	" H. Corby,	37	3,000	00					
"	12	" Bills Pay.,	37	315	00					

WHEAT.

(Cost.)							(Proceeds.)			
1874										
Jan.	1	To Stock	36	1000	00	Jan. 2	By J. Rimmer	36	150	00
"	2	" Bills Pay.	36	200	00	" 3	" R. Thompson	36	600	00
"	3	" Cash	36	300	00	" 4	" Bills Rec.	36	175	00
"	5	" "	36	560	00	" 5	" "	37	120	00
"	10	" W. Lingham	37	450	00	" 6	" Cash	37	125	00
"	17	" "	38	550	00	" 8	" J. Rimmer	37	280	00
						" 9	" R. Thompson	37	375	00
						" 11	" Sundries	37	380	00

Dr. (My Notes redeemed.) BILLS PAYABLE. (My Notes issued.) Cr.

1874						1874					
Jan.	12	To Cash	37	650	00	Jan.	2	By Wheat	36	200	00
"	15	" "	37	200	00	"	3	" Flour	36	650	00
						"	12	" "	37	315	00
						"	16	" H. Corby	38	100	00

(Others' Notes received.) BILLS RECEIVABLE. (Others' Notes disposed of or Collected)

Jan.	4	To Wheat	36	175	00	Jan.	15	By Cash	38	175	00
"	5	" "	36	120	00	"	17	" "	38	120	00
"	8	" J. Miller	37	1300	00						
"	11	" Wheat	37	150	00						

(My Acct. against him.) JAMES RIMMER. (His Acct. against me.)

Jan.	2	To Wheat	36	150	00	Jan.	4	By Cash	36	100	00
"	8	" "	37	280	00						
"	13	" Flour	37	1400	00						
"	17	" "	38	1200	00						

W. LINGHAM. (His Acct. against me.)

						Jan.	10	By Wheat	37	450	00
						"	17	" "	38	550	00

(My Acct. against him.) ROBT. THOMPSON. (His Acct. against me.)

Jan.	3	To Wheat	36	600	00	Jan.	15	By Cash	37	975	00
"	9	" "	37	375	00						

Dr. (My Acct. against him.) H. CORBY. (His Acct. against me.) Cr.

1874							1874					
Jan.	10	To Cash,	37	1,000	00		Jan.	6	By Flour,	37	3,000	00
"	16	" Bills Pay.,	38	1,000	00							

(My Acct. against him.) JAMES MILLER. (His Acct. against me.)

Jan.	6	To Flour,	37	1,300	00		Jan.	8	By Bills Rec.,	37	1,300	00

(Outlay for Expense.) EXPENSE.

Jan.	18	To Cash,	38	25	50							
"	"	" "	38	140	00							

TEST OF THE LEDGER.

The first thing to be done, after the transactions of a set have been posted, is to test the correctness of your work, by comparing the amounts of the two sides of the Ledger and seeing that the sum of the Dr. side of all Ledger accounts equals the sum of the Cr. side.

This is accomplished by making out a

TRIAL BALANCE.

L.F.		Dr.	Cr.
41	Stock		8000 50
41	Cash	5725 50	3175 50
41	Flour	7265 00	3900 00
41	Wheat	3060 00	2205 00
42	Bills Payable	850 00	2165 00
42	Bills Receivable	1745 00	295 00
42	James Rimmer	3030 00	100 00
42	W. Lingham		1000 00
42	Robert Thompson	975 00	975 00
43	H. Corby	2000 00	3000 00
43	James Miller	1300 00	1300 00
43	Expense	165 50	
		26116 00	26116 00

An explanation of the process of taking off a Trial Balance, is given on page 47.

CHAPTER III.

CLASSIFICATION OF ACCOUNTS.

The science of Double Entry Book-Keeping is by far more subtle and philosophical, in its theories and applications, than would appear from any of the fallible or "infallible" rules which various authors have claimed as compassing it. The mere fact of the *balance* or equilibrium of debits and credits, which is the inevitable condition of each complete record of a transaction—and so, of course, of the sum of any number of transactions—is interesting and important only as it points to other and more vital truths. The Science of Equations, which so aptly applies in each distinct entry, has a broader application to the entire subject of WEALTH, which lies at the very foundation not only of business record, but of business itself.

It has been clearly shown, in the preceding exercises, that the *results* of transactions may be readily grouped or classified so as to exhibit distinct facts, each important in showing the condition of the business; as, for instance, the amount of cash on hand, as shown in the Cash account; other peoples' notes on hand, as shown in the Bills Receivable account; our outstanding notes, as shown in the Bills Payable account; the gain or loss from dealing in goods, as shown in the Merchandise account, etc., etc. It only remains to gather up these separate facts, and, by a proper combination and comparison of them, to attain the grand results which lie at the end of all faithful record, viz., the exact *present* condition of the business or its net worth, and the *current* condition of the business, or its net gain or loss between any two given periods.

The accounts comprising the complete transactions of any business are susceptible of an arrangement or classification which will show at a glance, not only the existing condition of the business, but its exact measure of prosperity or adversity during any stated period.

A thorough comprehension of the nature and purpose of each account will at once suggest its position in the statement or classification.

Accounts are divided into two classes: *Real* and *Representative.*

Real accounts are those that show in the difference between their sides a *resource* or *liability.* They are Cash, Bills Receivable, Bills Payable and Personal Accounts.

Representative Accounts are those that exhibit, in the difference between their sides, either a gain or a loss, and are usually subdivided into Speculative and Incidental.

Speculative Accounts are those kept with any species of property that has a fluctuating value; as Merchandise, Real Estate, Live Stock, Movable Property, &c.

Incidental Accounts are those to which particular names are given in order to treat them separately; such as Expense, Rent, Salary, Shipments, Interest, &c.

A good understanding of the above division of accounts will enable the student to discern at a glance, under what head an account should be arranged in a balance sheet, and how it should be closed in the Ledger.

RESOURCES AND LIABILITIES.

The following preliminary propositions will aid you in making out Statements:

A Resource, in business language, is any species of property belonging to you, to which a financial value may be attached.

All Resources having a *fixed* value may be continually shown in the Ledger accounts representing them. These are Cash, Notes, and Personal accounts.

All Resources having a *fluctuating* or variable value must be *estimated* by a cash standard, whenever it becomes necessary to know their value. Of such resources are merchandise of all kinds, real estate, fixtures, &c.*

A Liability, is any debt owing by you.

*Assume what is practically true, that Cash, which is the measure of all values, must be competent to measure itself. Hence, we call its value fixed. Personal indebtedness, whether in the shape of notes or personal accounts, being only cash deferred, is, of course, subject to the same restrictions.

Liabilities being debts owing, they can not vary much in form. They are represented on the Ledger either by Personal accounts or Bills Payable account; the distinction being only as between what we owe without having given a written obligation, and what we owe on written obligations.

The difference between the Resources and Liabilities of a business is its *net worth.*

One marked peculiarity of Resources and Liabilities, as shown in the Ledger, should not escape the learner's attention, viz.: Resources are invariably shown by an excess of the *debit*, and Liabilities by an excess of the *credit* side.

Losses and Gains.—A loss in business occurs when *less* value is received than given in exchange; and when property *depreciates* in value.

A Gain occurs when *more* value is received than given in exchange and when property *increases* in value.

Net Worth, or Net Insolvency.—The Net Worth of a concern is found by subtracting the sum of its *liabilities* from the sum of its *resources.*

The Net Insolvency of a concern is found by subtracting the sum of its *resources* from the sum of its *liabilities.*

Again.—The Net worth of a concern is found by adding the *net gain* to, or subtracting the *net loss* from the original capital or investment, and the *net* Insolvency by subtracting the original capital from the *net loss.*

Inasmuch as net worth or absolute wealth is measured by the excess of Resources over Liabilities, the increase in wealth must be the result either of increase of resources or decrease of liabilities; and decrease in wealth the result of decrease of resources or increase of liabilities.

Net Gain, or Net Loss.—The Net Gain during any period is found by subtracting the net worth at the *commencement* from the net worth at the *close* of such period.

The Net Loss during any period is found by subtracting the net worth at the *close* from the net worth at the *commencement* of such period.

AGAIN.—The Net Gain during any period is found by subtracting the sum of the *individual losses* from the sum of the *individual gains.*

The Net Loss during any period is found by subtracting the sum of the *individual gains* from the sum of the *individual losses.*

TRIAL BALANCE.

A Trial Balance is taken to ascertain if the Debits and Credits, on the Ledger are equal, or balance.

As soon as you finish posting all the transactions to the Ledger, according to the principle of equal debits and credits, you take off a Trial Balance. This is done by first footing the items of the different accounts, placing the amounts in light pencil marks which should be erased after the completion of the work. The totals of the accounts are carried to the Trial Balance, as per model form, leaving out such accounts as close themselves. By adding to the footings of the Trial Balance given, the footings of accounts that close themselves you will find that they exactly correspond with those of the Journal, which would not be the case if any of the Journal entries were not posted ; and as the footings of the Journal columns also tally with those of the Day Book, it is almost conclusive that all the original entries have found their way into the Ledger. There will remain but two chances of error in the accounts, viz.: from improper Journal entries, or from posting to the wrong accounts in the Ledger.

It will be observed from the foregoing remarks, that the Trial Balance is not always a strict proof of the correctness of the work, though it is so nearly a test, that under ordinary circumstances, it may be considered satisfactory.

It is supposed that you have gone through the process of journalizing and posting the preceding set, and that your Ledger accounts present an equilibrium of debits and credits. A Trial Balance may be taken with the difference columns only, or with the amount columns only. The latter is very frequently used in business, a form of which is given on page 43. In a real business, a Trial Balance may be taken monthly and should be taken as often as once in three months, even though the books are closed but once a year. The following is another form of Trial Balance, from the same Ledger.

TRIAL BALANCE.

Dr. Bal.	Dr. Foot'gs	L.F		Cr. Foot'gs	Cr. Bal.
		41	Stock	8000 50	8000 50
2550 00	5725 50	41	Cash	3175 50	
3365 00	7265 00	41	Flour	3900 00	
855 00	3060 00	41	Wheat	2205 00	
	850 00	42	Bills Payable	2165 00	1315 00
1450 00	1745 00	42	Bills Receivable	295 00	
2930 00	3030 00	42	James Rimmer	100 00	
		42	W. Lingham	1000 00	1000 00
	2000 00	43	H. Corby	3000 00	1000 00
165 50	165 50	43	Expense		
11315 50	23841 00			23841 00	11315 50

NOTE.—The Ledger from which the foregoing Trial Balance was taken does not contain all the results of the business. Hence, in getting at the data from which to ascertain the net worth, or the net gain or loss, it will be necessary to go beyond the Ledger, and estimate the value of unsold merchandise or other similar property.

In each of the statements which follow, an Inventory of unsold property is supposed to have been taken, the results being given.

CLASSIFIED STATEMENTS.

The "Statement, or Trial Balance," on page —, is supposed to show the *footings* and *balances* of the Ledger accounts growing out of the transactions indicated in the "Exercise" just preceding; and, as far as the open Ledger is concerned, affords as completely as possible the exact condition of the business *at the time* the Statement purports to have been rendered. The form of this Statement, however, is not sufficiently compact, nor the specific *results* of the business so distinctly given as to present at a glance, the *general* result which constitutes the objective point of all business record. To accomplish this, it becomes necessary to re-arrange or *classify* the separate results as shown on the Ledger.

The Trial Balance being a simple abstract of the Ledger accounts, and these accounts showing only the *cost* and *proceeds from sales* of property having a variable value, it follows that the *real* value of such property remaining on hand can be ascertained only by actual enumeration and valuation; a process known in business as "taking account of stock," or "taking an inventory." The value of property which does not vary, viz., Cash, Notes, and Personal indebtedness, is readily ascertained from the accounts themselves.

In classifying accounts, or specific results, two grand results are had in view, which are, 1, The *net gain* or *loss* during a specified time, and, 2, The *net* worth or insolvency of the business. The processes of arriving at these results are distinctly indicated above. The *classified* statements which follow only present them to the eye in a consecutive and logical form.

1.—STATEMENT OF LOSSES & GAINS.

For the purpose of ascertaining the Net Gain or Loss.

		Losses.	Gains.
FLOUR, unsold per Inventory, ...	$3915		
" Cr. or proceeds from sales, ...	3900		
" Total proceeds, ...	7815		
" Dr. or cost, ...	7265		
" Difference or gain, ...	...		550
WHEAT, unsold per. Inventory, ...	1120		
" Cr. or proceeds from sales, ...	2205		
" Total proceeds, ...	3325		
" Dr. or cost, ...	3060		
" Difference or gain, ...			265
EXPENSE, Dr. or outlay, a loss, ...		165 50	
**Difference between Gains and Losses or Net Gain,*		649 50	
		815 00	815 00

The material for this and the following Statement is found in the Trial Balance on page 43, except the value of unsold property, which is taken from the inventory given at the end of the Day Book, page 35. The process of working it is so simple that it does not require an explanation.

* Italics indicate red ink.

2—STATEMENT OF RESOURCES AND LIABILITIES.

Analysis of Accounts that show Resources and Liabilities, for the purpose of ascertaining the Net Worth or Insolvency of the Business.

			Resources.	Liabilities
1.—FROM INVENTORIES.				
FLOUR, unsold, as per Inventory			3915 00	
WHEAT, " " "			1120 00	
2.—FROM LEDGER ACCOUNTS.				
CASH. Dr. Amount received..	$5725 50			
" Cr. " paid out	3175 50			
" Difference Amount on hand			2550 00	
BILLS PAYABLE Cr. My notes issued ..	$2165			
" " Dr. " redeemed ..	850			
" " Difference my outstanding notes ..				1315 00
BILLS RECEIVABLE Dr. Other people's notes received... ..	$1745			
" " Cr. other people's notes disposed of... ...	295			
" " Difference other's notes on hand ...			1450 00	
James Rimmer Dr. My Acct. against him ...	$3030			
" " Cr. His " " me	100			
" " Difference, he owes me			2930 00	
W. Lingham Cr. His Acct. against me—I owe him				1000
H. Corby " " " " ...	$3000			
" Dr. My Acct. against him	2000			
Difference, I owe him				1000
*Stock's net investment...	$8000 50			
" " *Gain per statement*	649 50			
" " *Worth*				8650 00
Proof			11965 00	11965 00

* Red Ink.

The student will test his familiarity with the foregoing lessons by rendering analyses or statements of *Losses* and *Gains*, and of *Resources* and *Liabilities* from the following exercises, before proceeding to close the Ledger. [See statements on pages 49 and 50.]

3.—TRIAL BALANCE.

Dr. Bal.	Dr. Foot'gs	L.F		Cr. Foot'gs	Cr. Bal.
	150	1	Stock	7500	7350
1044 27	4170 17	2	Mdse. (unsold $2,000.)	3125 90	
1532 17	5750 29	3	Cash,	4218 12	
500	500	4	Robert Baker,		
6685	7000	5	Real Estate, (unsold $6,900.)	315	
1000	1500	6	Bills Receivable,	500	
	400	7	Bills Payable,	1200	800
79 25	154 25	8	Geo. Ritchie & Co.,	75	
1061	1200	9	Warner Bros.,	139	
375	375	10	Expense,		
	1400	11	N. Jones,	2100	700
		12	Hunt & Co.,	170	170
45	120	13	Interest and Discount,	75	
		14	W. P. Graham,	3601 69	3601 69
300	300	15	Loss and Gain,		
12631 69	23019 71		——*Equilibrium.*——	23019 71	12621 69

Net capital at commencing $7350. Net gain $450.73.

Net capital at closing $7800.73.

4.—TRIAL BALANCE.

LF		Dr.	Cr.
1	S. G. Beatty, (*Partner,*) *	3000	16863 13
2	W. B. Robinson (*Partner,*) *		12000
3	Cash,	9732 10	4719 22
4	Merchandise, (*Value Unsold,* $5159.50.)	7350	3719 50
5	Railroad Stock, (*Value Unsold,* $12,000.)	12000	
6	Bills Receivable,	7000	5000
7	Bills Payable,	3180	6180
8	Real Estate (*Value Unsold,* $8,000.)	7500	150
9	Robertson & Henry,	1150	920
10	G. C. Holton & Co.,		1500
11	Expense,	125	
12	Interest,	28	13 25
13	W. W. Jones,	1795	795
14	John Cook,	1290	840
15	Conger Bros.,		1450
		54150 10	54150 10

S. G. Beatty's net capital at commencing $13863.13.

W. B. Robinson's net capital at commencing $12000.

Total net gain $2039.25, each partners share of gain $1019.62½.

S. G. Beatty's net worth at closing $14882.75.

W. B. Robinson's net worth at closing $13019.63.

* Partners' accounts are treated precisely the same as the Stock account; the net amount owing to the partners being the net worth or net investment of the concern. In this instance, divide the gain equally.

BALANCING ACCOUNTS.

As all gains in business must appear, either in an increase of resources, or a decrease of liabilities, and as all losses must appear, either in a decrease of resources or an increase of liabilities, it will be plain that the two classes of accounts, Real and Representative must always run parallel.

Balancing accounts is placing a sufficient sum on the least side of an account to make it equal to the greatest, and is done by adding the two sides of the account and subtracting the smaller from the greater and entering the difference on the side that is least.

Real accounts close, "To" or "By Balance."

Before closing a *speculative* account whatever property, belonging to it remains unsold, must be entered on the credit side, thus: "By Balance Inventory" as an off-set against its cost, which has already been placed on the debit side, after which, the account closes into "Loss and Gain.

Incidental accounts close, "To" or "By Loss and Gain."

The object of closing the Ledger is to present in a proper manner both the *present condition* of our business and its *progress*. Its present condition can be shown by a list of its resources and liabilities; and its progress by a list of its gains and losses. Books are usually closed once a year, and in some establishments every six months, thus making an era in the business.

As *resources* are shown by an excess of the debit side of *Real* accounts, and *liabilities* by an excess of the credit side; and as *losses* are shown by an excess of the debit side of the *Representative* accounts; and *gains* by an excess of the credit side of *Representative* accounts it will be necessary to open two accounts for these general results: one to contain the resources and liabilities, and the other the gains and losses.

You will, therefore, open these accounts under the titles of "*Loss and Gain*" and "*Balance*," the former to contain the results of the *Representative*, and the latter of the *Real* accounts.

You will do well to observe particularly and follow out in practice the following

ORDER OF CLOSING ACCOUNTS.

1ST.—Take off a trial balance and statements.

2ND.—Open an account with "Loss and Gain" (if not already opened), and another with "Balance," the former to contain the *losses* and *gains*, and the latter the *resources* and *liabilities*.

3RD.—Ascertain by taking stock the cost value of any property remaining unsold; and enter this value on the credit side of its account, making the entry in *red ink*, "By Balance Inventory" and transferring the amount directly to the debit side of "Balance Account," making the entry in *black ink*, "To Merchandise," or the name of the account from which the transfer is made. The Ledger accounts will each show, now, one of the four following results, viz: a Resource, a Liability, a Gain or a Loss, and are in a condition for closing.

4TH.—Omitting Stock (or the Partners' accounts), commence with the next account in the Ledger. First ascertain whether it shows a resource or a liability, loss or a gain, and make the closing entry accordingly. If the difference show a resource or a liability, enter upon the smaller side, in *red ink*, "To," or "By Balance," as the case may be, and transfer the amount in *black ink*, to the opposite side of the "Balance Account." If the difference represent a gain or loss, enter on the smaller side in *red ink*, "To," or "By Loss and Gain," and transfer the amount in the same manner to Loss and Gain account. Close all the accounts (except Stock or Partners'), and transfer the balances as directed. The Loss and Gain account will now show, on the debit side all the losses, and on the credit side all the gains, the difference being the net loss or net gain. The "Balance Account" will show on the debit side all the resources, and on the credit side all the liabilities, the difference being the real interest or present investment of the proprietor or proprietors.

5TH.—Close Loss and Gain account into Stock, or, if it be a partnership business, into the partner's accounts, dividing the gain or loss, according to agreement. The Stock or Partners' Accounts will now show the original investment increased by the gain, or decreased by the loss; the difference being the *present* net investment. Inasmuch as the Balance Account shows the same thing, they must of course, agree.

6TH.—Close Stock (or Partners' Accounts), into Balance Account, which must equalize that account, it showing now, on one side, the total resources, and on the other side, the total liabilities, and presenting in the most condensed form, the exact present condition of the business.

CLOSING THE LEDGER.

In the preceding form it was thought best to leave the Ledger in its open or current condition, the results of the business being shown in separate statements. When the object is to know simply the condition of the business, this method is sufficient; but when it becomes necessary to mark the progress of the business in some enduring manner upon the Ledger, the accounts must be "closed," and the balance exhibited.

The object of closing the Ledger is to put an end to its current condition by disposing of the REPRESENTATIVE accounts; for, inasmuch as the proprietor is to be credited with his net investment, whenever that net investment is increased by gains, his account should get the benefit of it. As it would be impracticable to carry the separate gains and losses to the proprietor's account when they accrue, they are permitted to remain in the accounts producing them, until such periods as may be deemed best to transfer them.

We shall now attempt to take the student carefully through the process of "closing the Ledger."

Having gone through the process of journalizing, and posting the transactions in Set I., and taken off a trial balance to satisfy ourselves that the work has been properly performed, we now proceed, according to the instructions on pages 51 and 52, to close the Ledger accounts.

We open "*Loss and Gain*," and "*Balance*" accounts as directed. We then ascertain from the inventory at the end of the Day Book page 35, the value of goods unsold. The unsold Flour in this case is worth $3915, and the unsold Wheat $1120, which amounts, we enter on the credit side of these accounts in *red ink*, "*By Balance Inventory*," and transfer the same immediately to the contrary or Dr. side of Balance Account, making the entry in black ink, "To Flour $3915," and "To Wheat $1120." The accounts are now in a condition to close; and we will take them in their order.

The first account (after Stock) is Cash. This account represents a resource consisting of cash in hand $2550.

We *close* the account by entering the difference, *in red ink*, "By Balance" on the credit side, and footing up the sides, drawing double *red* lines underneath.

The red ink entry or *balance*, is transferred immediately to the *debit* side of Balance account.

The next account, Flour, shows a *gain*, the Cr. or proceeds from sales together with the value of unsold, being greater than the Dr. or cost, and the difference is entered *in red ink*, on the debit side of the account, "To Loss and Gain $550," and transferred to the *credit* side of Loss and Gain account. The next account, Wheat, is closed in the same way. The next, Bills Payable, shows a *liability*, consisting of our unredeemed notes, and is closed "To Balance $1315,"

This *balance* is transferred to the *credit* side of Balance account. Bills Receivable account, is closed in the same manner as Cash, the balance being transferred as a resource to Balance account. The next account, James Rimmer, is closed in the same way. The next, W. Lingham, shows a *liability*, and is transferred to the *credit* of Balance. Robert Thompson's account, already balances, and we close it by simply footing and ruling it. H. Corby's account, shows a *liability* and the balance is transferred to the *credit* side of Balance. The next account, James Miller, already balances, and as there is but one entry on each side we close it by simply ruling the double red lines. Expense account shows a *loss*, and is closed "By Loss and Gain," $165.50, and transferred to the *debit* side of Loss and Gain.

We have now the result of all the accounts exhibited under the heads of Loss and Gain and Balance, and if the balances have been properly transferred, these accounts, together with the (unclosed) Stock account, must be in equilibrium. To test this, we next take a Trial Balance of these three accounts, which we call the

SECOND TRIAL BALANCE.	Dr.	Cr.
Stock		8000 50
Loss and Gain	165 50	815 00
Balance	11965 00	3315 00
	12130 50	12130 50

After proving by this test, that the balances have been properly transferred, we proceed to accomplish the grand object of closing the Ledger, by carrying the difference between the two sides of the Loss and Gain account, or, in this case, net gain of $649.50 to the Stock account.

The Stock account now contains the capital invested increased by the gain, which must equal the *present worth*, as shown by the Balance account. We now close Stock account into Balance, which must produce an equilibrium of the Balance account. and complete, in that account, the record of resources and liabilities.

The Balance account is used for its convenience in collecting, under one title, all the resources and liabilities. The same effect may be produced by bringing down the balances under the REAL accounts. The latter method is adopted in business, particularly where the record is continued in the same Ledger.

The student should remember that in no one thing does the proficiency of a practical accountant more plainly manifest itself than in the matter of neatness in arrangement and execution.

He should observe particularly the form adopted in ruling and be careful to enter all

Balances, Inventories, Folios, and ruling, with *red ink*, and all Transfers with *black ink*.

The form adopted in closing the Ledger on the following pages is submitted as a model to guide you hereafter.

SPECIMEN LEDGER. CLOSED.

See Explanation, Page 52.

STOCK.

Dr.								Cr.			
1874						1874					
Jan.	20	To Balance		8,650	00	Jan.	1	By Sundries,*	36	8,000	50
						"	20	" Loss & Gain.		649	50
				8650	00					8650	00

CASH.

Jan.	1	To Stock,	36	4,000	50	Jan.	2	By Flour,	36	300	00
"	4	" J. Rimmer,	36	100	00	"	3	" Wheat,	36	300	00
"	6	" Wheat,	37	125	00	"	5	" "	36	560	00
"	11	" "	37	230	00	"	9	" Expense,	37	25	50
"	15	" R.Thompson	37	975	00	"	10	" H. Corby,	37	1,000	00
"	"	" Bills Rec.,	38	175	00	"	12	" Bills Pay..	37	650	00
"	17	" "	38	120	00	"	15	" "	37	200	00
						"	18	" Expense,	38	140	00
						"	20	" Balance		2550	00
				5725	50					5725	50

FLOUR.

Jan.	1	To Stock,	36	3,000	00	Jan.	6	By J. Miller,	37	1,300	00
"	2	" Cash,	36	300	00	"	13	" J. Rimmer,	37	1,400	00
"	3	" Bills Pay.,	36	650	00	"	17	" "	38	1,200	00
"	6	" R. Corby,	37	3,000	00	"	20	" Bal. Inv't'y		3915	00
"	12	" Bills Pay.,	37	315	00						
"	20	" Loss & Gain		550	00						
				7815	00					7815	00

WHEAT.

1874											
Jan.	1	To Stock	36	1000	00	Jan.	2	By J. Rimmer	36	150	00
"	2	" Bills Pay.	36	200	00	"	3	" R. Thompson	36	600	00
"	3	" Cash	36	300	00	"	4	" Bills Rec.	36	175	00
"	5	" "	36	560	00	"	5	" "	37	120	00
"	10	" W. Lingham	37	450	00	"	6	" Cash	37	125	00
"	17	" "	38	550	00	"	8	" J. Rimmer	37	280	00
"	20	" Loss & Gain		265	00	"	9	" R. Thompson	37	375	00
						"	11	" Sundries	37	380	00
						"	20	" Bal. Inv't'y		1120	00
				3325	00					3325	00

Sundries, meaning several things, stands for the three accounts, Cash, Flour and Wheat.

BILLS PAYABLE.

Dr.						Cr.					
1874						1874					
Jan.	12	To Cash	37	65	00	Jan.	2	By Wheat	36	200	00
"	15	" "	37	200	0	"	3	" Flour	36	650	00
"	20	" Balance		1315	00	"	12	" "	37	315	00
						"	16	" H. Corby	38	100	00
				2165	00					2165	00

BILLS RECEIVABLE.

Jan.	4	To Wheat	36	175	00	Jan.	15	By Cash	38	175	00
"	5	" "	36	120	00	"	17	" "	38	120	00
"	8	" J. Miller	37	1300	00	"	20	" Balance		1450	00
"	11	" Wheat	37	150	00						
				1745	00					1745	00

JAMES RIMMER.

Jan.	2	To Wheat	36	150	00	Jan.	4	By Cash	36	100	00
"	8	" "	37	280	00	"	20	" Balance		2930	00
"	13	" Flour	37	1400	00						
"	17	" "	38	1200	00						
				3030	00					3030	00

W. LINGHAM.

Jan.	20	To Balance		1000	00	Jan.	10	By Wheat	37	450	00
						"	17	" "	38	550	00
				1000	00					1000	00

ROBT. THOMPSON.

Jan.	3	To Wheat	36	600	00	Jan.	15	By Cash	37	975	00
"	9	" "	37	375	00						
				975	00					975	00

H. CORBY.

Dr.						Cr.					
1874						1874					
Jan.	10	To Cash,	37	1,000	00	Jan.	6	By Flour,	37	3,000	00
"	16	" Bills Pay.,	38	1,000	00						
"	20	" Balance		1,000	00						
				3000	00					3000	00

JAMES MILLER.

Jan.	6	To Flour,	37	1,300	00	Jan.	8	By Bills Rec.,	37	1,300	00

EXPENSE.

Jan.	18	To Cash,	38	25	50	Jan.	20	By Loss & Gain		165	50
"	"	" "	38	140	00						
				165	50					165	50

(Losses.) LOSS AND GAIN. (Gains.)

Jan.	20	To Expense,		165	50	Jan.	20	To Flour,		550	00
"	20	" Stock		649	50	"	"	" Wheat.		265	00
				815	00					815	00

(Resources.) BALANCE. (Liabilities.)

Jan.	20	To Cash,		2,250	00	Jan.	20	By Bills Pay.,		1,315	00
"	"	" Flour,		3,915	00	"	"	" W. Lingman		1,000	00
"	"	" Wheat,		1,120	00	"	"	" H. Corby,		1,000	00
"	"	" Bills Rec.,		1,450	00	"	"	" Stock,		8,650	00
"	"	" Jas. Rimmer,		2,930	00						
				11,965	00					11,965	00

Note.—It will be observed that all those accounts that have been closed "By Balance" or "Balance Inventory," appear on the Dr. side of above account, while those that close "To Balance," appear on the Credit side. You will also see that Stock makes up the deficiency between the two sides, it being the concern's net capital, and also agrees with the balance of Stock account, after the losses and gains have been transferred to it.

DETECTION AND CORRECTION OF ERRORS.

The Trial Balance is the best short test of correctness in posting yet discovered, and this is defective, inasmuch as errors may exist while the Trial Balance is apparently entirely correct:—such as posting to the wrong account, although on the right side; omitting to post a debit and a credit of equal amount, &c. But if the Trial Balance is not in equilibrium, there is certainly an error, which must be sought and corrected.

Detection.—First. See whether the pencil footings on the Ledger, made preparatory to taking the Trial Balance, are correct, and whether the balance of the different accounts have been transferred into the Trial Balance rightly.

Second. If there is still an undiscovered error, examine each post separately, checking the entries in both Journal and Ledger as you proceed, until you have been over the whole; and then look through again, to see if any amount remains unchecked, and, if so, investigate the cause of the omission.

In this manner, you can scarcely fail to discover the mistake, provided the Journal is correct; but great care should be taken to see that the Journal is in equilibrium before posting, as any discrepancy there will give you much trouble in the Ledger.

Correction.—In the Day Book, (or any other book of original entry,) erasures are not admissable, since this book is taken as evidence in courts of justice, and anything obliterated or erased looks suspicious, and would probably render invalid the entry with which it is connected, and in some cases might even throw the whole book out of Court, as evidence unfit to receive. Errors in it should therefore be corrected by making other entries explaining them: or the erroneous entry, if it has not been journalized, may be marked "void," and remain without further alteration, a new and correct entry being made of the transaction.

In the Journal, erasures are sometimes admissable, although it is generally advisable to treat errors as directed for the Day Book.

In the Ledger, if any entry be posted to the wrong account, or to the wrong side of the account, make ciphers of the figures, and leave the remainder so as not to deface the Ledger; then post the entry to its proper place. If a wrong amount be posted, alter it to the right. And if a duplicate post be made, make ciphers of the figures in the erroneous one. If two accounts be opened with the same person, close the one into the other, "To" or "By" name of account, page—footing and ruling off the closed account, as a settled account; stating the particulars of each transfer in the open account.

QUESTIONS FOR REVIEW.—CHAPTERS II AND III.

CHAPTER II.

What different kinds of accounts are kept in the Double Entry Ledger? What do accounts kept with persons represent? In what does the distinguishing feature of Double Entry consist? Name the principal Books used? Name some of the auxiliary Books? Upon what do the auxiliary books used, in a business depend? Define the Day Book? What particulars should every Day Book entry embrace? Define the Journal? Define the Ledger? What are the advantages of keeping the Ledger? What is Journalizing? What is the rule for Journalizing? Define Debtors? Define Creditors? If you purchase Mdse. and pay it in other Mdse. from your store; what would be your Journal entry? Of what does a business transaction consist? Upon what is each complete record of a transaction based? Mention one unvarying condition of a transaction? Mention four forms, one of which, the record of every transaction requires? What is the main object of a business record? How should the Day Book be written up? In what order should the accounts be opened in the Ledger? Explain the use of "To" and "By," in expressing entries upon the Ledger? Define the Index? What is the first thing to be done after the transactions of a set are all posted?

CHAPTER III.

Into what classes are accounts divided? What is a Real account? Name the Real accounts? What is a Representative account? How are Representative accounts subdivided? Define Speculative and Incidental accounts? Give examples of each? What is a Resource? Define the term Liability? What is the measure of all value in business? By what accounts are Liabilities represented on the Ledger? What will the difference between the Resources and Liabilities of a business show? How are Resources and Liabilities invariably shown in the Ledger? When do Losses and Gains occur in business? How may the net worth or net insolvency of a concern be found? How may the net gain or net loss during any period be found?

For what purpose is a Trial Balance taken? How should you proceed to take off a Trial Balance? In what way may the footings of the Trial Balance be made to correspond with the footings of the Day Book and Journal? Is the Trial Balance always a strict proof of the correctness of the work? In what way may an error occur and the Trial Balance stand in equilibrium? What is necessary after taking a Trial Balance, before we can get at the data from which to ascertain the net worth, or net gain or loss? In classifying accounts, what two grand results are had in view? Define the term balancing an account? How do Real accounts close? How do Speculative and Incidental accounts close? What is the object of closing the Ledger? What two accounts are opened to receive the results of all the other accounts? For what purpose is the Balance account used? When should red ink be used? How would you proceed to detect an error in the work, if the Trial Balance does not come right? How should corrections be made, in books of original entry? If an entry be passed to the wrong account in the Ledger, how should the correction be made? How should the correction be made when two accounts have been opened for the same person?

BUSINESS SERIES.

The foregoing exercises and explanations are sufficient, if thoroughly understood to familiarize you with the theory of Double Entry Book-keeping. It now remains with you to fasten these principles indelibly on your mind by the regular process of Book-keeping, which, at the same time will serve to give you practice in business record, which is essential to real progress.

The sets which follow, while serving as a synthetical unfolding of the science, are intended, each in its turn, to present some speciality of business, and some radical feature which distinctly characterizes its purpose. In presenting the transactions, care has been taken to avoid, as far as possible, any proper *form* of entry; but, at the same time, to present the *facts* as clearly and unmistakably as possible.

They are intended to cover a wide field of practice, and to present sufficient variety of transactions and enforcement of theory to give the student an excellent understanding of the science. Each set is complete within itself, and special in its purpose and teaching. Its characteristics are briefly announced at the start, and as its results only, with more or less detail are given at its close, the student is obliged to accomplish the work of the set in order to arrive at the proper result.

This mode of arrangement is calculated to throw the learner upon his own resources, and rescue him from the too common error of copying down the work without understanding it. This feature will no doubt commend itself to all faithful Students.

While performing the following work, remember that the three great qualities, essentual to success in Accountantship are :— ACCURACY, NEATNESS and DISPATCH.

CAUTION. — In transcribing a set to your Day Book, leave the column blank for the insertion of your own folios.

☞ The Ledger Headings for Sets 2, 3, 4 and 5, will be found after the 5th Set.

SET II.—RETAIL DRY GOODS BUSINESS.

CHARACTERISTICS.—BUYING AND SELLING FOR CASH AND ON PERSONAL ACCOUNT.—BUSINESS ADVERSE.

Instead of keeping a distinct account with each article of traffic as in Set 1., we classify all under the title of "Merchandise." This is the usual business method, and should always be adopted, except where it is essential to know the gains and losses on each particular kind of property.

BELLEVILLE, January 1, 1874.—Invested in business, Cash, $5000.

2—Bought of W. L. Hamilton, on acct., merchandise amounting by invoice to $4170.75.

" Bought of Sanderson & Co. on acct., an invoice of merchandise amounting to $1250.

3—Paid for repairing and cleaning store $187.50, for advertising business $15.50. Total, $203.

4—Sold A. H. Skinner. on acct., 5 yds. black broadcloth, at $4, 2 yds. farmer's satin, at 50c., 1 yd. silecia 30c., 1 yd. canvass 20c., 1 yd. haircloth 60c., 3 sheets wadding, at 5c., 1 doz buttons 25c., 4 skeins silk, at 5c., 1 vest pattern $4.25, 5 yds. red flannel, at 40c. Total $28.95. *Cash sales this day* $115.40.

5—Sold B. M. Carman, on acct., 1 pair kid gloves $1.25, 12 yds. Merino at 60c., 5 linen handkerchiefs at 25c., 10 yds. calico at 15c.—Total, $11.20

" Sold R S. Thompson, on acct., 15 yds muslin de laine at 30c., 5 yds. alpaca at 50c., 10 yds. cambric at 10c., 40 yds. sheeting at 15c.—Total $14. *Cash sales this day* $130.45.

6—Paid Sanderson & Co., on acct., cash $850.

" Bought of W. L. Hamilton, on acct., invoice of merchandise $1500.

" Sold A. H. Skinner, on acct., (wife) 10 yds. linen edging at 15c., 15 yds. muslin at 30c., trimmings $1.20, 3 yds. fine linen at 50c.—Total $8.70.

" Paid W. L. Hamilton, on acct., cash $2000. *Cash sales this day* $192.65.

8—Bought for cash, invoice of merchandise $450.

" Paid sundry items of expense $24.50,

" Sold B. M. Carman. on acct., (daughter) 18 yds. black silk at $1.10, trimmings $5.50, 1 pair kid gloves $1.25, 5 spools thread at 5c., 6 yds. edging at 20c.—Total $28. *Cash sales this day* $211.30.

9—Received from A. H. Skinner, cash on acct., $25.00.

" Paid clerk hire $10.50, for wood $18.50.—Total $29.

" Sold B. M. Carman, on acct., 15 yds. shirting at 20c., 4 yds. black cassimere at $1.75, 4 yds. green baize at 50c.—Total $12. *Cash sales this day* $225.30.

10—Received from B. M. Carman, cash, on acct., $15.

" Paid W. L. Hamilton, on acct., $350.

" Paid sundry items of expense $15.40.

" Bought of W. L. Hamilton, on acct., invoice of merchandise $475.50.

" Paid Sanderson & Co., in full of acct., cash $400.

Inventory of goods remaining unsold: Merchandise $6950;
Net Capital at commencing $5000; *Net loss* $190.20; *Net worth* $4809.80.

SET III.—DRY GOODS AND GROCERY BUSINESS.

CHARACTERISTICS.—BUYING AND SELLING FOR CASH, AND ON PERSONAL ACCOUNT.—BUSINESS PROSPEROUS.

BELLEVILLE, February 1, 1874.—Invested in business Cash $6,500; Merchandize $3,000.

2—Bought of Geo. Wallbridge, on my note, 56 Hhds Molasses, 3500 gals. at 40c., $1400.

3—Bought of Muir & Co., Montreal, on 3 months credit, 4 cases, 5200 yds. Muslin at 20c., $1040.

4—Sold Geo. J. Sherry, on account, 34 Hhds Molasses, 2100 gals. at 35c., $735.

5—Sold S. G. Beatty, on account, 1 case Muslin, 1300 yds. at 25c., $325; 12 pcs. Tweed, 420 yds. at $1.25, $525. Total $850.

6—Bought of Walker & Son, Toronto, for Cash, 3 cases Prints, 3210 yds. at 10c., $321; and 4 cases do., 3500 yds. at 15c., $525. Total $846.

8—Sold C. P. Holton, for Cash, 11 Hhds Molasses, 700 gals. at 45c., $315.

9—Sold H. Warren, on account, 6 pcs. Tweed, 210 yds. at $1.25, $262.50.

10—Bought of S. G. Beatty, on account, 18 Hlf. Chests Y. H. Tea, 370 lbs. at $1.00, $370.

11—Sold W. B. Robinson, for Cash, 11 Hhds Molasses, 700 gals. at 40c., $280.

12—Paid Cash for 1 quarters rent of store, $200; Gas bill, $15. Total $215.

13—Received from S. G. Beatty, his note for $480, in full of account.

15—Paid Cash in full for my note of the 2nd inst., $1400.

16—Sold R. P. Dunning, on his note, 10 Hlf. Chests "Y. H." Tea, 200 lbs. at $1.25, $250.

17—Gave Muir & Co., my note at 3 months in part payment of account, $500.

18—Bought of Walker & Son, Toronto, on my note, 4 cases Prints, 4300 yds. at 10c., $430.

19—Paid Cash for Clerk hire, $175.

20—Received from S. G. Beatty, cash in full for his note of 13th inst., $480.

22—Paid for sundry items of expense, $180.

23—Sold G. J. Sherry, on account, 4 pcs. Tweed, 160 yds. at $1.50, $240; 1 case Muslin, 1,200 yds. at 25c., $300. Total $540.

24—Sold Thomas Moore, on account, 11 Hhds Molasses, 700 gals. at 40c., $280.

25—Received from G. J. Sherry, cash on account, $100 and his note for $125.

26—Redeemed my note of the 18th inst., favor of Walker & Son, $430, for which I gave Cash $305, and G. J. Sherry's note for balance, $125.

27—Received from Thomas Moore, cash on account, $150.

28—Paid cash for wood, $24; Cleaning store, $4.50.

" Received from Thomas Moore, cash in full of account, $130.

" Paid cash for Clerk hire, $75.

Inventory of goods remaining unsold: Merchandise $5500; *Net Capital at commencing* $9500; *Net gain* $1253; *Net worth at closing* $10753.

REMARKS ON NOTES AND BILLS.

A new feature in connection with the work of the following set is the computing of interest on notes and bills. As beginners often experience difficulty in determining the day upon which notes and acceptances fall due, we shall endeavor, in the following directions, to make the matter plain.

In all computations in reference to notes or bills, in the following sets, three days' grace are included. When the term of a note is expressed in days, the day after drawing or accepting is the first day counted, in the time to run. Thus, a bill drawn or accepted on January 1st, at 15 days, will fall due, January 19th,—including three day's grace. A bill drawn or accepted on the 29th September, at 60 days, has to run

In September	1 day
In October	31 days
In November	30 days
In December	1 day
	63 days, Due Dec. 1.

Again a bill, drawn or accepted 30th September, at 90 days, has to run

In October	31 days
In November	30 days
In December	31 days
In January	1 day
	93 days, Due Jan. 1.

It will be observed in the last example, that no time is allowed for September, although the date is on the last day of that month, as, according to the rule, the day following the date is the first day counted in the time to run.

When the term of a note or bill is expressed in months, CALENDAR MONTHS are always understood, and it comes due in the last month of its term, upon the day corresponding with its date, to which are added the days of grace.

The time of payment is not extended, in business, on account of any deficiency in the length of the months, of which the term of the note is made up. For instance, a note drawn on the 31st August,

at three months, and another drawn on the 30th August, also at three months, will both fall due on the same day, viz., 3rd December.

Bills of different dates running the same time, will sometimes fall due the same day, and thus occasion unexpected inconvenience. Sometimes by obtaining one day's advance in the date, two, three, and four days are gained in the time of payment. For example a note or bill drawn or accepted on the 28th February, at six months, is due August 31st but if dated on the 1st March, only one day later it would not be due until the 4th September, thus extending the term of payment four days for one day's difference in the date.

In the following instances, one day's advance in the date will give the day of payment three and four days later. Notes drawn or bills accepted February 28th*

At	1	month,	are	due	March	31,	but if dated 1st March, are not due till	April 4.
"	2	months,	"		May	1,	" " "	May 4.
"	3	"	"		May	31,	" " "	June 4.
"	4	"	"		July	1,	" " "	July 4.
"	5	"	"		July	31,	" " "	Aug. 4.
"	6	"	"		Aug.	31,	" " "	Sept. 4.
"	7	"	"		Oct.	1,	" " "	Oct. 4.
"	8	"	"		Oct.	31,	" " "	Nov. 4.
"	9	"	"		Dec.	1,	" " "	Dec. 4.
"	10	"	"		Dec.	31,	" " "	Jan. 4.
"	11	"	"		Jan.	31,	" " "	Feb. 4.

One day's advance in the date will in the following cases give two additional days in the time of payment.

Notes drawn or bills accepted April 30th,

At	1	month,	are	due	June	2,	but if dated 1st May, are due	June 4.
"	3	months,	"		Aug.	2,	" " "	Aug. 4.
"	4	"	"		Sept.	2,	" " "	Sept. 4.
"	6	"	"		Nov.	2,	" " "	Nov. 4.
"	8	"	"		Jan.	2,	" " "	Jan. 4.
"	9	"	"		Feb.	2,	" " "	Feb. 4.
"	11	"	"		April	2,	" " "	April 4.

The above illustrations are sufficient to impress upon those having anything to do with bills, the fact that an error of one day in recording the maturity of a note or acceptance may cause the holder to lose his remedy against the endorser; and perhaps cause him to lose the amount of the note altogether. When the last day of grace falls upon Sunday or a bank holiday, the note is payable on the following day. We have next to point out the other feature alluded to,

*Our calculations are all made for ordinary years. Leap-year makes a day's difference.

viz. ; those instances in which several notes or acceptances, dated or accepted on different days and having the same time to run, in months, will fall due on the same day.

If you give four notes dated—

August 28, at 6 months.
August 29, at 6 months.
August 30, at 6 months.
August 31, at 6 months.

These notes, although of different dates and all of the same running time, will become due on the same day.

Again, if you give two notes dated—

March 30, at 3 months.
March 31, at 3 months.

They will both fall due on the same day.

MEMORANDA.

The following memoranda will enable the learner to determine in the preceding cases when to date bills in order to advance the day of payment, and to tell the precise day upon which they become due.

1.—*Notes drawn or bills accepted on the last day of February, with a running time, in months, will advance the day of payment three and four days, by dating forward one day.*

2.—*Notes drawn or bills accepted on the third day of a thirty-day month, with a running time in months, expiring in a thirty-one day month, will advance the date of payment two days, by dating forward one day.*

3.—*Notes drawn or bills accepted on the last three days of thirty-day months, and the last four days of thirty-one day months, with a running time in months, expiring in February, will become due on the same day.*

4.—*Notes drawn or bills accepted on the last two days of thirty-one day months, with a running time, in months, expiring in a thirty-day month, will fall due on the same day.*

SET IV.—FURNITURE BUSINESS.

CHARACTERISTICS.—BUYING AND SELLING FOR CASH, ON PERSONAL ACCOUNT, AND ON NOTES.—INTEREST TAKEN INTO CONSIDERATION.—COMMENCING WITH A NET CAPITAL, SUSTAINING A LOSS GREATER THAN CAPITAL, AND CLOSING INSOLVENT.

BOOKS USED.—DAY BOOK, JOURNAL, LEDGER, AND BILL BOOK.

See form of Bill Book, at the end of set.

OTTAWA, March 1, 1874,—Leased a store of T. B. Dean, at $600 per annum, and commenced the Furniture business, investing as follows:

Cash, $1800. Stock of Furniture on hand $1500. Note against A. Overell for $750, dated January 17th, 1874, at 2 months. Total investment $3250.

Bought of G. S. Tickell, Belleville, on one month's credit 15 Carved Rosewood Centre Tables, at $50, 6 doz. do. arm chairs at $60. Total $1110.

2—Sold W. R. Barber, on his note at 15 days, 10 Carved Rosewood chairs, at $8, 1 do. centre table, $75, 1 gothic hall stand $25. Total $180.

3—Bought of Jakes and Hayes, Toronto, on acct., 10 sets enamelled furniture at $75, 6 do. black walnut at $150, 10 extension dining tables at $25. Total $1900.

4—Sold W. H. Sherman, for cash, 1 set enamelled furniture $100, 1 extension dining table, $40, 8 carved rosewood chairs at $8. Total $204.

5—Sold W. W. Jones, on his note, at one month, with interest at 6 per cent. 1 set enamelled furniture $100, 1 extension table $40, 1 dressing bureau $35, 1 rosewood tete-a-tete $50, 1 gothic hall stand $28, 1 card table $5, 1 french bedstead $22, 1 cottage bedstead, $15. Total $295.

6—Settled with Jakes & Hayes, by giving them my note at 1 month, with interest at 9 per cent, in full of acct. $1900.

9—Bought of J. B. Ashley, on my note at 10 days, 15 black walnut book cases at $60, 2 doz. do. arm chairs, at $60, 20 curled hair mattresses at $20, 20 double-leaf secretaries at $35, 25 music racks at $5. Total $2245.

10—Sold G. W. Maybee, on acct., 1 carved rosewood centre table $60, 2 doz. do. arm chairs at $50, 1 set enamelled furniture $80, 1 black walnut sofa bedstead at $50, 2 extension tables at $30, 2 gothic chairs, B. W. stuffed, at $15, 1 easy rocker $12. Total $392.

11—Bought of Jakes & Hayes, on 3 months' credit, an assortment of furniture amounting, per invoice, to $3500.

" Paid cash for insurance $125.

15—Sold S. G. Beatty, for cash, 2 black walnut bureaus at $30, 1 rosewood parlor set $400, 1 enamelled bed room suit $200, 1 single bedstead $8, 1 quartette table $9, 1 ladies arm chair $12, 1 black walnut library book case $75. $764.

16—Sold W. McKeown, for cash, 1 carved rosewood secretary $120, 3 patent spring beds at $60, 1 walnut centre table $50, 2 rosewood bureaus at $40, 2 arm chairs at $10, 2 "sleepy hollow" chairs at $25, 1 black walnut parlor suit $300, 1 side what-not $9. Total $809.

17—Paid cash for three months' rent $150. Advertising $25.

" Bought of Jakes & Hayes, on acct., furniture amounting, per invoice, to $2150.

17—Bought of H. W. Huffman, on my note at 3 months, furniture amounting to $550.

18—Received from G. W. Maybee, cash on acct., $150.

" Sold W. Johnston on his note at 3 months, 1 hall stand $5, 6 parlor chairs at $3.50, 1 R. W. tete-a-tete $30, 1 black walnut sofa $30, 1 large dining table $14, 1 piano stool $8. 1 music rack $5. Total 113.

19—Sold Warner Bros., for cash, 2 bed room suits at $50.60, 2 rosewood parlor suits at $200. Total $501.20.

20—Received from G. W. Maybee, cash in full of acct., $242.

" Received from A. Overell, cash in full for his note of Jan. 17th, $750.

24—Sold H. Corby, on acct., 20 doz. kitchen chairs at $8, 10 doz. rush bottom chairs at $18. Total $340.

28—Bought of Smith & Co., Kingston, on note at 3 months, assortment of furniture amounting, as per invoice, to $1500.

April 1st.—Paid G. S. Tickell cash on acct., $500.

8—Received from W. W. Jones cash in full for his note of 5th inst. and interest thereon to date at 6 per cent. Face of note $295. Interest $1.62.

9—Paid my note of 9th inst., favor of J. B. Ashley, with interest at 6 per cent for time overdue, 18 days. Face of note $2245. Interest $6.74.*

12—Paid salaries $180. Sundry expenses $25.

16—Paid my note 6th inst., favor of Jakes & Hayes, with interest to date. Face of note $1900. Interest $19.

Inventory of merchandise unsold $5336.34.

Net capital at commencement $4050; *Net loss* $6049 58; *Net insolvency at closing* $1999.58.

NOTE—The student is expected to work out the interest on all notes bearing interest.

*In business calculations, it is not customary to enter fractions of a cent upon the account books, consequently in all computations throughout these sets where a fraction of a cent less than one-half occurs, we take no notice of it, but where a fraction of half a cent or more occurs, we call it one cent.

FORM OF BILL BOOK.

BILLS RECEIVABLE.

No.	When Rec'd		Drawer or Acceptor.	In whose Favor.	For what Received.	Where Payable.	Date. Year	Date. Month.	Time to Run.	When Due. Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Am't.	When and how disposed of.		
1	M'r	1	A. Overell,	My own	Invest't	My office	1874	Jan	17 2 m.	1874			17-20										750	M'r 20	Received in cash.
2	"	2	W. R. Barber,	" "	Mdse.	" "	"	M'r	2 15 d.	1874			17-20										180		Carried down, *
3	"	5	W. W Jones,	" "	"	Mont. Bk	"	M'r	5 1 m.	1874				5-8									295	Apr. 8	Received in cash.
4	"	18	W. Johnson,	" "	"	" "	"	M'r	18 3 m.	1874						18-21							113		Carried down, *
																							1338		
2	M'r	2	W. R. Barber,	Self		My office	1874	M'r	2 15 d.	1874			17-20										180		
4	"	18	W. Johnson,	"		Mont. Bk	1874	M'r	18 3 m.	1874						18-21							113		

* Red ink.

BILLS PAYABLE.

No.	When Issued.		Drawer or Acceptor.	In whose Favor.	For what Given.	Where Payable.	Date. Year	Date. Month	Time to Run.	When Due. Year	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Amount	When and how disposed of.		
1	M'r	6	Myself.	Jakes & Ha's	Mdse.	My office	1874	M'r	6 1 m.	1874				6-9									1900	Apr 16.	Paid in cash.
2	"	9	"	J. B. Astley,	"	" "	"	M'r	9 10 d.	1874			19-22										2245	Apr. 9	Paid in cash.
3	"	17	"	H. Huffman	"	Mont. Bk	"	M'r	17 3 m.	1874						17-20							550		Carried down *
4	"	28	"	Smith & Co.	"	" "	"	M'r	28 3 m.	1874						28-31							1500		Carried down *
																							6195		
3	M'r	17	Myself.	H. Huffman		My office	1874	M'r	17 3 m.	1874						17-20							550		
4	"	28	"	Smith & Co.		Mont. Bk	"	M'r	28 3 m.	1874						28-31							1500		

* Red ink.

REMARKS ON THE BILL BOOK.

The Bill Book should never be omitted in any business dealings with notes, either payable or receivable. It is so simple, that the student will see, by inspection, its utility. All necessary explanations are made by the headings of the different columns.

The precaution of balancing the Bill Book and carrying down the bills unpaid is necessary, in a business where any considerable number of bills are given or received, in order to maintain harmony between this book and the Bills Payable and Bills Receivable accounts in the Ledger.

It will be seen that the bills entered in the foregoing forms are taken from the transactions of Set IV., and hence the notes on hand and notes outstanding, as shown by Bills carried down, will be found to agree with the balance shown in the proper Ledger accounts.

DRAFTS.

The learner should carefully study and fix in his mind the following explanations on Drafts and Shipments, before commencing the work of Set V.

A Draft is an order in the form of a request, usually payable at sight, or a specified time thereafter. A Draft at sight is considered the same as Cash by the payee and drawee.

There are three persons concerned, though often the same person acts both as drawer and payee: the drawer, or maker; the payee, or the one in whose favor it is drawn; the drawee, or the one who is obliged to pay it, or, in other words, the one who accepts it by writing his name and the date across the face. Drafts are generally used to make remittances.

RULES FOR JOURNALIZING DRAFTS.*

CREDIT the person or bank you draw on, because that person or bank pays an amount on your account.

DEBIT the person who draws on you, because you pay a certain amount on his account.

SIGHT DRAFT.—Drawer's entry, "Payee Dr. to Drawee."
" " Payee's entry, "Cash Dr. to Drawer."
" " Drawee's entry, "Drawer Dr. to Cash."

TIME DRAFT.—Drawer's entry, "Payee Dr. to Drawee."
" " Payee's entry, "Bills Rec. Dr. to Drawer."
" " Drawee's entry, "Drawer Dr. to Bills Pay."

*The learner's mind should be thoroughly impressed with the meaning of these rules, otherwise it will take him a long time to divest himself of the idea that every draft or bill he draws upon his correspondent must appear in one or other of the Bill accounts.

[See forms of drafts, in a subsequent part of the work, under "Forms of Business Papers."]

SHIPMENTS AND CONSIGNMENTS.

Merchants having goods which they cannot dispose of to advantage at home, often send them to some person doing business in another place, by this means frequently finding a better market.

These transactions give rise to the above accounts.

Consignor, is a name given to the shipper of goods or other property.

Consignee, is the person to whom the goods are shipped.

Shipment, as a ledger title, is a fictitious name given to merchandise, or other property, shipped to be sold on account and risk of the Consignor. It is made Dr. when the goods are shipped for their full value and for all costs; it is credited by its net proceeds, when the account of sales is received, by making the person to whom the goods were shipped or whatever he has remitted you in payment for it Dr. to the shipment. After posting to the ledger it is closed "To" or "By *Loss* and *Gain*" if an account of sales has been received; if not, it is closed By Balance Inventory, for what it was invoiced at when the shipment was made.

"Consignment," as a ledger title, is a name by which you keep an account of goods or other property received by you to sell on account and risk of the consignor.

It is debited for all charges paid by you when received, or for all costs accruing on the same while in your possession, and credited for all its incomes and sales. It is closed by making it Dr. to your commission and to the consignor for his net proceeds, or to whatever you may remit him.

In either case the account balances when posted in the ledger.

The term "Shipment," when used as a ledger title, should have the consignee's name or place of residence attached, and each one should be numbered, in order that you may distinguish between different shipments to the same person or place.

"Consignment," when used as a ledger title, should have the consignor's name prefixed, and each one should be numbered.

Thus,—if you ship goods to Joseph McKay, of Montreal, to be sold on your account and risk, your ledger title should be "Ship-

ment to McKay No. 1," or "Shipment to Montreal No. 1," and his ledger title should be "Student's Consignment No. 1," or as some merchants term it "Student's Sales No. 1"

ACCOUNTS USED IN THE FIVE FOLLOWING SETS, WITH NUMBER OF LINES REQUIRED FOR EACH.

This apportionment provides for the Ledger heading, and the necessary space to close the accounts in due form.

SET V.—Stock 5. Cash 22, Bills Receivable 7, Bills Payable 6, Merchandise 20, J. W. Campion 6, L. W. Yeomans 6, Ames, Holden & Co. 7, F. M. Clark 5, W. T. Tilley 5, Shipment to Tilley 5, Interest & Discount 7, Expense 9, Loss & Gain 7, Balance 10.

SETS VI. and VII. (under same headings) —Student, 9; James Fenwick, 6; Cash, 23; Merchandise, 14; Bills Receivable, 9; Bills Payable, 10; Furniture, 6; Expense, 7; Rent, 9; Insurance, 9; Montreal Bank, 23; Jones & Co.'s Consg't., No. 1, 6; W. B. Robinson, 6; Jones & Co.'s Consignment No. 2, 6; Charges, 11; Commission, 11; Jones & Co., 11; W. West's consg't. No. 1, 6; Jones & Co.'s consg't. No. 3, 6; H. Holden, 5; W. West's consg't. No. 2, 6; Jones & Co.'s consgn't. No. 4, 6; Interest & Discount 10; W. West, 6; Solomon Johns, 5; Good will, 5; Loss & Gain 15; Balance 8.

SET VIII.—(Single Entry) and Set IX. under same headings. J. S. Miller, 6; F. Lane, 6; J. R. Marvin, 5; W. McKay, 9; Robert Carey, 10; James Goodwin, 19; H. Simmons, 10. Additional accounts after opening Set IX. Cash, 6; Merchandise, 10; Bills Receivable, 9; Bills Payable, 6; Real Estate, 5; Expense, 6; Interest & Discount, 5; Shipment to B. Way, 6; Loss & Gain, 6; Balance, 8.

SET V.—BOOT AND SHOE BUSINESS.

The Cash Book should be used in performing the work of this set. See Form at the end of set.

CHARACTERISTICS.—BUYING AND SELLING FOR CASH, ON NOTES AND ON PERSONAL ACCOUNT. SHIPPING TO BE SOLD ON ACCOUNT OF THE SHIPPER. COMMENCING WITH A NET CAPITAL. EFFECTING A NET GAIN AND CLOSING WITH INCREASED CAPITAL.

Kingston, April 1, 1874.

*———, this day commences business with the following resources and liabilities. Resources; cash as per C. B. $3850; Thomas Holden's note for $500, dated Dec. 9th 1873, at 4 months; an accepted draft for $400, drawn by A. M. Foster on John Templeton, dated Feb. 1, at 60 day's sight, and accepted Feb. 4; A. L. Bogart's note for $250, dated Jan. 14, at 3 months with interest at 8 per cent. Interest accrued on above note $4.33; J. W. Campion owes on acct. $450; L. W. Yeomans owes on acct. $375.—Total resources $5829.33. Liabilities.—Am owing, on note, favor of F. Lockett $325, dated Dec. 9, 1873, at 4 months; Ames, Holden & Co., Montreal, on acct., $175; F. M. Clark on acct. $220. Total liabilities $720.

*Student's Name.

2—Bought of Haines & Lockett, on my notes, for equal amounts, at 1, 2 and 3 months, merchandise as per invoice $5100

" Bought of Ames, Holden & Co., on acct,, merchandise as per invoice $3500.

" Paid cash for a set of books, for store, $12.50. For freight $8.25. Total $20.75. *Cash sales this day* $54.50.

4—Sold L. W. Yeomans, on acct. 1 pr. calf stitched boots $6.50; 1 pr. Misses' goat lace boots $2,40; 1 pr. kid slippers $1.25. Total $10.15. *Cash sales this day* $70.80.

6—Paid F. M. Clark, cash on acct., $150. Paid for advertising $15.75. Accepted Ames, Holden & Co.'s draft at 10 days sight, favor Thomas Smith, for $400. Received from J. W. Campion, cash on acct., $250. *Cash sales this day* $85.40

8—Received cash for J. Templeton's draft of Feb. 4, $400. *Cash sales this day* $95.

9—Sold J. W. Campion, Belleville, on acct.

5 cases	60	pairs	men's stout boots at	$2.20	
6 "	72	"	" lasting gaiters at	1.75	
8 "	96	"	youth's stout boots at	1.80	
4 "	240	"	" " brogans at	.60	
4 "	240	"	women's split boots at	1.10	
2 "	120	"	" congress gaiters at	1.25	
2 "	120	"	pebbled buff. bals. at	1.25.	Total $1138.80.

Cash sales this day $115.40.

11—Shipped per steamer Passport, and consigned to W. T. Tilley, Port Hope Ont., to be sold on my acct. and risk; 10 sides No. 1 Sole Leather, "Hemlock Spanish," 240 lbs at 25c.; 1 roll No. 1 Buffalo Sole. 300 lbs at 22c.; 2 Rolls Pebbled Cow, 280 feet at 15c. Total $168. Paid insurance on same in cash $10.50.

" Received cash for Thos. Holden's note of Dec. 9, $500. *Cash sales this day* $114 70.

13—Sold L. W. Yeomans, on acct., 1 pr. Misses' Calf Stitched Boots at $2.75; 1 pr. do. Lasting Gaiter Boots, $1.75. Total $450.

" Redeemed my note of Dec. 9, favor of F. Lockett by giving him draft at 30 days on J. W. Campion $325.* *Cash sales* $124.

14—Sold John Mansard, Brockville.

10 cases	120	prs.	Men's Calf Stitched Boots	at	$5.	
5 "	60	"	" " Sewed "	at	4.	
6 "	360	"	Women's " Lace "	at	1.25	
1 "	60	"	" Goat Buskins	at	1.20	
1 "	60	"	" " Lace Boots	at	1.25	
2 "	120	"	" Colored Gaiters	at	1.10	
2 "	120	"	" Prunella Bals.	at	1.25	Total $1719.

Received in payment, his notes, one at 30 days for $475.
" " 60 " " 544.
" " 90 " " 700.

Cash sales this day $125.75.

17—Received from A. L. Bogart, cash in full for his note of Jan. 14, and interest thereon to date. Face of note, $250. Interest for 3 months and 3 days, at 8 per cent, $5.17. *Cash sales* $118.25.

*It will be observed that the note redeemed on the 13th, and the draft on the 20th, both came due on Sunday, and consequently payment was deferred until the next day.

18—Paid Ames, Holden & Co., cash on acct., $500. Paid the following items of expense. Painting shop $35. Repairing windows $140. Cleaning store $4.50. Total $179.00. *Cash sales this day* $125.50.

20—Paid Ames, Holden & Co.'s draft of the 6th, inst., favor Thomas Smith, $400. *Cash sales* $136.20.

22—Bought of Jno. McKeown, for cash, merchandise as per invoice $1200.
" Received from L. W. Yeomans, sight draft on John Smith for amount of acct. $835.15.
" Bought of Thomas Brown for John Mansard's note of April 14th., merchandise $70). *Cash sales* $175.50.

23—Received from W. T. Tilley, Port Hope, an Account of Sales of the leather shipped him the 11th inst. The net proceeds, which have been entered to my credit, amount to $211.50. Paid F. M. Clark cash in full of acct. $70.

24—Paid Ames, Holden & Co. cash on acct. $200. Paid sundry expenses $15. 50.

30—Paid rent $100. $Clerk hire $140. Gave Ames, Holden & Co. draft at 30days on W. T. Tilley for $211.50.

Merchandise unsold as per inventory $9173.25.

Net capital at commencing $5109.33; *Net gain* $3062.34; *Net worth at closing* $8171.67.

TO THE STUDENT.

From the above Day Book you are required to make out the following business papers, using for the same such names and amounts as would be required in a bona fide business. Notes and drafts requiring a revenue stamp must receive it.

Draw the three notes received on the 14th, draft paid on the 20th, and the draft received on the 22nd.

All necessary forms of notes, drafts, etc., may be found in the back part of this book, under the title of "FORMS OF BUSINESS PAPERS." See mode of filing business papers, page 79.

THE CASH BOOK.

This book is kept for the purpose of recording all cash received and paid. There are various ways of keeping the Cash Book, but the following form is perhaps as simple as any and as little liable to mistakes, for persons whose cash transactions are not very numerous, and who are not scientific accountants.

It contains two columns for dollars and cents.*

Whenever money is received from any source whatever it must be entered in this book "To," (describing for what,) and the amount be extended into the *left* hand dollar and cent column, which is called the *debit* column; and whenever money is paid out for any purpose whatever, it must be entered in this book "By," (telling what for,)

*The student will observe that, in speaking of the money columns, we designate the space or dollars and the space for cents, united, as but one column.

and the amount extended into the *right* hand dollar and cent column, called the *credit* column. Thus, if the account is kept correctly the difference between these two columns will show at all times the *balance* of cash in hand, and will agree with the actual amount of money found in possession by counting. Any discrepancy must arise from error, which must be sought out and rectified before the account is balanced. The credit column can never be the larger, since it is impossible to pay out more money than you receive.

The Cash Book should be balanced at the end of each week; (or daily, when much business is done) by entering the balance of cash on hand, in the credit column, in *red* ink to distinguish it from sums paid away. After footing the columns and drawing the lines, bring the balance down, in black ink, entering it in the debit column. The lines should be ruled, exactly as in form. They serve to keep the new account distinctly separated from the old; a matter of greater importance than young book-keepers generally imagine. It adds greatly to the appearance of your book to begin the words "To" and "By" all upon a perpendicular line.

The cash account may be tested at any time, without balancing the Cash Book, by finding the difference between the debit and credit columns, on a scrap of paper, and comparing the difference with the cash in hand. This should be done daily when the cash book is balanced only once a week, as in the following form.

The small figures, in the form of Cash Book given on page 78, to the right of explanations, are the footings of the Dr. and Cr. sides. These figures should only be entered with pencil at the time of balancing the book and erased as soon as the difference or cash on hand is obtained.

The explanations to the entries should begin, as in form, on a perpendicular line, and should be written one-third smaller than the name of the account debited or credited.

CASH BOOK—SET V.

1874				Dr.		Cr.	
Apr.	1	To Stock,	Amount invested.	3850			
"	2	By Expense,	Acct. Books, $12.50, Freight, $8.25.			20	75
"	"	To Merchandise,	Sales this day 3975 30	54	50		
"	4	" Merchandise,	Sales this day 20 75	70	80		
			Balance in hand,			3954	55
				3975	30	3975	30
"	6		Balance brought down,	3954	55		
"	"	By F. M. Clark,	Paid on Acct.,			150	
"	"	" Expense,	Paid for advertising			15	75
"	"	To J. W. Campion,	Received on Account,	250			
"	"	" Merchandise,	Received on Account,	84	40		
"	"	" Bills Receivable,	Received for Templeton's D'ft, B.B.	400			
"	8	" Merchandise,	Sales this day,	95			
"	"	" Merchandise,	Received for this day's sales,	115	40		
"	9	By Ship't to Tilley,	Paid insurance,			10	50
"	11	To Bills Receivable,	Received for Holden's note, B.B	500			
"	"	" Merchandise,	Received for day's sales, 5514 05 176 25	114	70		
			Balance in hand,			5337	80
				5514	05	5514	05
"	13		Balance brought down,	5337	80		
"	"	To Merchandise,	Received for sales this day,	124			
"	14	" Merchandise,	Sales this day,	125	75		
"	17	" Bills Receivable,	Received for Bogart's note, B.B.	250			
"	"	" Interest,	Received on above note,	5	17		
"	"	" Merchandise,	Received for day's sales,	118	25		
"	18	By Ames, Holden & Co.,	Paid on Acct.			500	
"	"	" Expense,	Painting, repairing and cleaning,			179	50
"	"	" Merchandise.	Sales this day, 6086 27 679 50	125	30		
			Balance in hand,			5406	77
				6086	27	6086	27

As the above simple form of Cash Book, balanced weekly, will sufficiently explain the nature and use of this book, it is deemed unnecessary to continue it through the remainder of the set.

* Italics denote red ink.

FILING BUSINESS PAPERS.

The following forms represent Business Papers, properly folded and filed. As the folding and filing of other papers, not represented here, should be after the same general form, we deem it unnecessary to give them. Fold all papers the same width.

A. L. Sample, Receipt, 20th May, 1874.	R. P. Jennings, Bill of Mdse. 4th May, 1871.	S. G. Beatty, Acc't of Sales, 18th Jan., 1874.	Thos. Smith, Invoice, 14th Jan., 1874.	Trial Balance, Set I. Taken, Bell'vill' 31st Jan., 1874. A. R. Brown, Acct'nt.
**Receipts for May, 1874.*	**Bills of Mdse. for May, 1871.*	**Acct. Sales for January, 1874.*	**Invoices for January, 1874.*	**Trial Balance,* 1874.

* *Represent wrappers for different classes of business paper.*

SET VI.—PRODUCE AND COMMISSION BUSINESS.—SINGLE PROPRIETOR.

BOOKS USED.—*Day Book, Journal, Ledger, Bill Book and Cash Book.*

CHARACTERISTICS.—THIS, AND THE SUCCEEDING SET, ARE INTEDED TO ILLUSTRATE THE PRINCIPLES AND PRACTICE OF A SIMPLE COMMISSION, IN CONNECTION WITH A GENERAL MERCHANDISE BUSINESS; AS ALSO, TO SOME EXTENT THE GIVING AND RECEIVING OF NOTES, DRAWING AND ACCEPTING DRAFTS, WITH ALLOWANCE OF INTEREST AND DISCOUNT; KEEPING A BANK ACCOUNT IN THE LEDGER, DRAWING AND RECEIVING CHECKS, ETC., ETC. THIS SET ILLUSTRATES THE BUSINESS OF A SINGLE PROPRIETOR, CLOSING WITH A NET LOSS, AND ARRANGING TO ADMIT A PARTNER FOR THE CONTINUANCE OF THE BUSINESS, IN SET VII.

Belleville, January 1st, 1874. Student invests in Cash, $5000. Paid Cash for Office Furniture, $350; and for Books and Stationery, $50; Total, $400.

2—Deposited in Montreal Bank, $4000.

3—Bought of W. Lingham, on my acceptance at 10 days, 50 Bbls Extra Flour, $13.50, $675; 100 do. Superfine Flour, at $8.25, $825; Total $1500.

4—Paid for three months' rent, in advance, per check, $375. Received from Jones & Co., Hamilton, to be sold on their account and risk, 100 Bbls. Extra Flour; Paid Freight and Drayage on same, per check, $213.50.

5—Sold for Cash, from Jones & Co.'s Consignment No. 1, 50 Bbls Flour, at $11.40, $570. Sold W. B. Robinson, on acct., 75 Bbls. Superfine Flour, at $9, $675.

6—Took out open Policy of Insurance on Warehouse and contents for $30,000 at ¾ %; Paid Premium, per Check, $225. Sold for Cash, 25 Bbls. Extra Flour, at $14, $350; 25 do. Superfine Flour, at $9, $225; Total, $575, Deposited in Bank. $1000.

8—Received from Jones & Co., Hamilton, their second Consignment, consisting of 100 Bbls. New Mess Pork; Paid Freight and Drayage on same, per check, $247.50. Sold J. Cummings on his note, at 30 days. from Jones & Co.'s Consignment No. 1, 50 Bbls. Flour, at $11.50, $575.

9—Rendered Jones & Co. Account of Sales of Flour, represented in "Consignment No. 1," my charges on same are as follows: Storage, Insurance, Cooperage, etc., $21.43; *Commission 2½ % on Sales $28.62; Jones & Co.'s net proceeds, 881.45; Total debit to Jones & Co.'s consignment No. 1, $931.50.

10—Sold from Jones & Co.'s Consignment No. 2, 75 Bbls. Pork, at $20, $1500, Received in payment sight draft on James Wilson & Co., for $800; † Cash $700. Deposited in Bank, $2000.

11—Accepted Jones & Co.'s draft, at 10 days, sight, favor of W. H. Davy, for $500.

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*A general "charges" account is sufficient to represent the returns from all charges except your Commission, which requires a separate account.

†The only distinction between a Sight Draft and a Check is that the former is drawn on an individual, and the latter on a bank. Both being payable upon presentment are considered the same as Cash. As this draft will be placed in the bank for Collection, we shall reckon it as cash at once.

12—Received from W. West, Toronto, to be sold on his acct. and risk, 1000 Bush. Wheat. Paid Freight and Drayage, per check, $175.

13—Sold, from W. West's Consignment No. 1, for Cash, 500 Bush. Wheat. at $3.25, $1625.

14—Received from Jones & Co., Hamilton, their third Consignment, consisting of 500 Bush. Rye; 300 Bush. Oats, Paid Freight and Drayage, per check, $180.

15—Sold, from Jones & Co.'s ConsignmentNo. 2, to H. Holden, on acct., 25 Bbls. Pork, at $21, $525.

16—Closed Jones & Co.'s Consignment No. 2, and rendered Account Sales of same, my charges for Storage, Cooperage, etc., $19.78; Commission, 2½ % on Sales, $50.62; Jones & Co.'s Net Proceeds, $1707.10; Total debit to Jones & Co.'s consignment No. 2, $1777.50.

17—Received from W. West, Toronto, his second Consignment, consisting of 2000 Bush. Canadian Club Wheat; Paid Freight and Drayage, per check, $325.

18—Sold W. B. Robinson, on acct., from Jones & Co.'s Consignment No. 3, 500 Bush. Rye, at 1.40, $700. Bought of John Downing, on my note at 30 days, 400 Bush. Timothy Seed, at $3, $1200.

20—Received from Jones & Co., Hamilton, their fourth Consignment, consisting of 200 Bbls. Extra Flour; Paid Freight and Drayage, per check $425. Deposited in Bank, $1000.

21—Paid my acceptance favor of W. Lingham, due the 16th, per check; Face of Acceptance, $1500; Interest on same, 5 days', $2.46; Amount Paid, $1502.46. Also, discounted my Note favor of John Downing, for $1200, due February 20th, Discount off, 30 days, $7. †Net Amount paid per check, $1193.

23—Received of W. B. Robinson, Cash in full of acct., $———*

24—Paid my Acceptance favor W. H. Davy, due this day, per check, $500. Deposited in Bank, $1875.

‡ Inventory of Resources not shown on Ledger.—Merchandise; 25 Bbls. Extra Flour, at $13.50, $337.50; 400 Bush. Timothy Seed, at $2.75, $1100; Total, $1437.50. *Rent*, 2 months paid in advance, $250; *Insurance*-11 months unexpired policy, $206.25; *Furniture*, valued at $350.

Net Loss, $81.26.

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* Leave this amount blank until you have posted thus far, then refer to to the Ledger for amount.

† As Interest and Discount are the same in nature and effect, both representing the use of money, and both indicating the amount Paid or Received for the use, we do not deem it necessary to keep two separate accounts.

‡ Among the open Ledger accounts are W. West's Consg't No. 1, Jones & Co.'s Consg't No. 3, West's Consg't No. 2, and Jones & Co.'s Consg't No. 4; the former two of which show an excess of the credit side, and the latter two an excess of the debit side. As the business for which these accounts were opened is not concluded, they are treated in this statement precisely like personal accounts, waiving our immature claims for charges and commission.

The value of unexpired rent, and insurance, based upon advances made, should unquestionably be reckoned among our resources.

TO THE STUDENT.

Having journalized and posted this set, take a Trial Balance and Statements, and prove your work to be correct. You will then close the accounts, open a Loss and Gain account and transfer the net loss to the proprietor's account. Then bring down all *Inventory Balances* "To Balance." and balances of *Real Accounts*, such as Cash, Bills Receivable, Personal Accounts, etc., either "To" or "By Balance," as the standing of the accounts may show, making no transfers to the balance acct.

If any account is closed "To Balance," you will bring down the balance on the credit side of the same,, "By Balance," and the reverse, dating the balances brought down. When all the balances are thus brought down the *resources* and *liabilities* will be correctly located in the Ledger, ready for the commencement and continuation of Set Seven.

Before posting Set Seven, take a Trial Balance of those accounts that have been brought down in the Ledger, to ascertain if the transfers have been properly made.

STATEMENT—SET VI.

Instead of making out the Trial Balance and Statements of Losses and Gains and Resources and Liabilities separately, you may now write them all in one.

COMBINED STATEMENT.

Losses.	Gains.	Dr. Foot'g.	L. F.	Ledger Amounts.	Cr. Foot'g.	Resource's	Liabilit's
			38	Stock,	5000		
		10645	38	Cash,	10275	370	
12 50		2700	38	Merchandise,	1250	1437 50	
		575	39	Bills Receivable,		575	
		500	39	Jones & Co.,	2588 55		2088 55
		525	39	H. Holden,		525	
		9875	40	Montreal Bank,	5361 46	4513 54	
		350	40	Furniture,		350	
125		375	40	Rent,		250	
50		50	41	Expense,			
18 75		225	41	Insurance,		206 25	
	41 21		41	Charges,	41 21		
	79 24		42	Commission,	79 24		
		175	42	W.'s Consg't No. 1.	1625		1450
		180	42	J'&Co'sC'nsg'tNo3	700		520
		325	43	W.'s Consg't No. 2.		325	
		425	43	J'&Co'sC'nsg'tNo4		425	
	4 54	2 46	43	Interest,	7		
	81 26			*STOCK'S net Inv'st $5000 00 " " " Loss, 81 26			
				" " " Worth	-		4 9 1 8 7 4
206 25	206 25	26927 46			26927 46	8977 29	8977 29

*Red ink.

SET VII.—PRODUCE AND COMMISSION BUSINESS, CONTINUED.

Two Partners.

CHARACTERISTICS.—THIS IS A CONTINUATION OF THE BUSINESS REPRESENTED IN SET VI. UNDER A NEW PROPRIETORSHIP; THE BUSINESS TO BE CONDUCTED PRECISELY AS IN THE PREVIOUS SET. THE NEW PARTNER, JAMES FENWICK, INVESTS CASH EQUAL TO THE NET INVESTMENT OF THE FORMER PROPRIETOR, WHICH IS SHOWN IN HIS ACCOUNT AFTER CARRYING TO IT THE LOSS OF THE PREVIOUS BUSINESS.

Belleville, February 1st, 1874. The Proprietor admits as a partner in the business, James Fenwick, who is to make a cash investment equal to the present net worth, the business to be conducted under the firm, name of *———— & Co.— each partner to give his time to the business, and the losses and gains to be divided equally. James Fenwick invests Cash. $———. Deposited in Bank, $4000.

3—Sold George Wallbridge, on his acceptance at 10 days, from W. West's Consignment No. 1. 500 Bush. Wheat, at $3.40, $1700. Closed W. West's Consignment, No. 1, and rendered him an Account of Sales of the same. Our charges for Storage, Insurance, etc., $22.91; Commission, $83.12; W. West's Net Proceeds, $3043.97; Total debit to W. West's Consignment No. I, $3150.

4—Bought of S. White & Co. 8 Hhds Muscavado Sugar, 13,850 lbs., at 10½c. $1454.25. Paid them our sight draft on H. Holden, for amount of his acct. $———.† Check for balance, $———.

5—Paid Jones & Co.'s draft on us, per check, $1500.

7—Sold James Jennings, on his note at 30 days, 4 Hhds. Muscavado Sugar 6930 lbs., at 11 c., $762.30.

8—Sold for cash, 25 Bbls. Extra Flour, at $15, $375. Paid Cash for Postage and Revenue Stamps, $10.

10—Received Cash in full for J. Cumming's note of January 8th, due this day, $————. Deposited in Bank, Cash, $900.

12 Sold for Cash, 400 Bush. Timothy Seed, at $3.50, $1400.

15—Sold for Cash, from Jones & Co.'s Consignment No. 3, 300 Bush. Oats, at 65c., $195. Closed Jones & Co.'s Consignment No. 3, and rendered, an account of the same. Our charges for Storage, Insurance, etc., amount to $13.87; Commission, $22.37; Jones & Co.'s Net Proceeds, $678.76. Total debit to Jones & Co.'s Consignment No. 3, $715.

16—Paid W. West's sight draft on us, favor Montreal Bank, per check $2500.

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*Student's Name.

†See balance of Holden's acct. in Ledger

18—Sold Solomon Johns on acct., from W. West's Consignment No. 2 1500 Bush. Canadian Club Wheat, at $2.35, $3525; also, from Jones & Co.'s Consignment No. 4, 200 Bbls. Flour, at $11.35, $2270; Total $5795.

19—Closed Jones & Co.'s Consignment No. 4, and rendered an Account Sales of the same. Our charges for Storage, Cooperage, etc.' $24.59; our Commission, $56.75; Jones & Co.'s Net Proceeds, $1763.66. Total debit to Jones & Co.'s Consignment No. 4. $1845.

20—Sold for Cash, from W. West's Consignment No. 2, 500 Bush. Canadian Club Wheat, at $2.40, $1200.

21—Closed W. West's Consignment No. 2, and rendered acct. of the same; our charges for Storage, Insurance, etc., $23.17; Commission, at 2½ %, $118.12; W. West's Net Proceeds, $4258.71. Total debit to W. West's Consignment, $4400.

24—Received Cash in full, for George Wallbridge's Acceptance of the 3rd inst., Face of Acceptance $1700. Interest on same, 8 days, $2.64; Amount received, $1702.64.

25—Received Cash, less discount, for James Jennings note of the 7th inst., due March 10th. Face of note, $762.30; Discount, $2.22; Net amount received, $760.08. Deposited in Bank, $4500.

27—Received of Solomon Johns, check in full of his acct., $———.* Deposited in Bank, $6000.

28—We have this day arranged with Smith & Moore, for the sale to them of our entire business, including Furniture, Lease, Good Will, etc. Possession to be given March 1st. Received their note at 3 months, for the following considerations and amount. Four years and ten months' lease of Store, together with one months' prepaid rent, $2000; Ten months' unexpired policy on, $30,000, Store and contents, $187.50; Furniture, $300; Good Will, $2000; Total, $4487.50.

29—Accepted W. West's draft at 10 days, for balance of his acct., $———* Sold for Cash 4 Hhds Muscavado Sugar, 6920 lbs., at 12c., $830.40. Paid Jones & Co.'s sight draft, per check, for balauce of their acct., $———.

Deposited in Bank, $2711.86.

Total Net Gain, $4512.52.

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*Refer to Ledger for amount of these accounts.

The following business papers are required to be made out, by the student, from Sets VI., and VII.

From Set VI.—Receipt for rent, paid Jan. 4th. Note, received from J. Cummings, Jan. 8th. Account of sales, rendered Jones & Co., Jan. 9th.

From Set VII.—Geo Wallbridge's acceptance of Feb. 3rd. Sight draft received from W. West, Feb. 16th. Account of sales rendered W. West, Feb. 21st.

SINGLE ENTRY.

EXEMPLIFIED IN A PARTNERSHIP BUSINESS, CONCLUDING WITH AN ILLUSTRATION OF THE PARTNERSHIP SETTLEMENT. PRESENTING, ALSO, A PRACTICAL ILLUSTRATION OF THE PROCESS OF CHANGING A SET OF BOOKS FROM SINGLE TO DOUBLE ENTRY.

Considerable space has been devoted to the following Set, in order that the student may become thoroughly conversant with Single as well as Double Entry. The author is not among those who condemn Single Entry as wholly inadequate to the demands of business, and unworthy of consideration. To a person who understands and appreciates the advantages of Double Entry no further illustration than this set affords, will be necessary to show its superiority over the other system. But as there is a large class of dealers, who, for various reasons, are not inclined to keep their accounts by Double Entry, it will be serviceable and acceptable to every accountant to understand both systems.

The principles of Single Entry are so easy of comprehension as scarcely to need explanation. Accounts are usually kept only with the persons with whom you have dealings; and although a Cash account, Merchandise account and other Property accounts may be kept in the Ledger; yet just so far as you introduce any other accounts, except those with persons who owe you, or whom you owe, so far do you encroach upon the peculiar province of Double Entry. The principal books of entry are a Day Book and Ledger.

Besides these we introduce the Cash Book and Bill Book, as they are very important books and should never be dispensed with in a business where there are any considerable dealings in cash or notes.

These auxiliary books are kept in the same manner as in Double Entry.

All transactions are entered in the Day Book, which require a debit or credit to any person with whom you have dealings, and as this is the only book from which you post, every entry which you wish to bring into any account in the Ledger, must be entered here.

In entering *purchases* it is allowable to say, "Amount as per Bill," or "Amount as per Invoice," and omit the detail of items, since you have the invoice filed away, or pasted in a book so that you can refer to it at any time; but in entering *sales* on acct., the *items* should always be mentioned in the entry, whether your books are kept by Single or Double Entry, as this is your legal evidence of the transaction; and in order to be taken as evidence, each article must be distinctly named. SEE FORM OF SINGLE ENTRY DAY BOOK, at the end of this Set.

SET VIII.—DRY GOODS BUSINESS.

Two Partners.

The work of this set is to be done by Single Entry according to form on page 88.

Montreal, March 1st., 1874. J. S. Miller and F. Lane this day commence the Dry Goods business, at No. 114 St. James Street; agreeing to share gains and losses according to capital invested. J. S. Miller invests cash $1500; Merchandise $800; Note for $600, favor J. S. M. signed by T. Gibbard, dated January 31st, at 30 days; an accepted draft for $400, drawn by J. Jones on D. Roblin, dated January 20th, at 90 days. Balance due from J. R. Marvin $125. Total investment, $3425. F. Lane invests Cash $1500, Merchandise $1200; Real Estate, $700; Note against S. Fowler for $200, dated January 25th at 60 days; Note against H. Jackson for $800, dated Nov. 26th 1873, at 6 months with interest at 7 per cent. Interest accrued on above note to date, 3 months and 3 days, $14.94. Total investment, $4414.94.

2—Bought of W. McKay, on acct., Invoice of Merchandise amounting to $1800. Sold Robt. Carey, on acct., 50 yards Bl'k Broadcloth, at $2.25 12 Fancy Neckties at $1 each; 15 doz. prs. Lisle Thread Stockings, at $3.25 per doz.

3—Sold James Goodwin on acct., 50 yards Flannel, at 60c.; 25 yards Broadcloth at $3.75; 66 yards Cassimere, at $1.25; received his draft at 10 days sight on A. Benson for $55; the balance to remain on acct.,

4—Bought of H. Simmons, on acct., Mdse. Invoived at $200; gave our note, at 60 days, for $100; the balance to remain on acct.,

5—Sold W. Harding for cash, 2 ps. Irish Linen, 66 yards each, at 85c.; 35 yards Broadcloth at $2.50.

6—Sold W. Williams for Note at 30 days, 2 ps. Blue Broadcloth, 45 yards each, at $1.75; 90 yards French Merino, at 60c. Received from Robt. Carey, his draft at sight on W. Johnson, for $50.

8—Sold James Goodwin, on acct., 90 yards Scotch Tweed, at $1.25; 45 do. Red Flannel, at 55c Bought of W. Harding for our Note at 20 days, 5 ps. English Prints, 40 yards each at 25c. Sold R. Manning for his draft at 10 days, 10 yards Broadcloth at $2.25; 15 yards Mixed Tweed at $1.50.

9—Received from James Goodwin, his sight draft on J. James for $85. Bought of R. Watson, for Cash, Mdse. Invoiced, at $200.

11—Sold H. Simmons 24 yards Brown Beaver, at $3.25; received Cash $40; balance on acct. Bought of W. McKay Mdse. Invoiced at $500; gave in payment, Cash $350; balance to remain on acct.

12—Sold Robt. Carey, on acct., 55 yards Blue Broadcloth, at $1.75. Received from James Goodwin, Cash, $50; check on Montreal Bank, $30.

13—Paid W. McKay, Cash, $1200. Sold John Johnson, for his sight draft on J. Wilson, 15 prs. pants at $3.75. Sold Robt. Carey, on acct., 30 Vests, at $2.25; 1 doz. ready made Coats, at $5.50.

15—Sold H. Simmons, on acct., 9 Fine Overcoats, at $16. Sold John Cummings for his note at 20 days, 12 Complete Uniforms, at $15.

16—Bought of A. Vermilyea for our Note at 30 days, Mdse. Invoiced at $175. Received cash for Jas. Goodwin's draft of the 3rd inst. Discounted our Note of the 4th, inst., favor H. Simmons, at 6 per cent for unexpired time.

17—Received from Robt. Carey, Cash, $100. Sold James Goodwin on acct. 50 Summer Coats at $2.50. Bought of W. McKay, on 3 months credit Mdse. Invoiced at $275.

18—Received Cash in full for T. Gibbard's Note of Jan 31st, with interest at 6 per cent, for time over due 13 days. Received Cash from H. Simmonds, $40.

20—Sold W. Manning for Check on Merchant's Bank, 10 Military Coats, at $11; 10 prs. Pants at $6. Sold Robt. Carey, on acct., 5 doz Byron Collars, at $2 per doz., 4 doz. cravats, at $3 per doz. Received from Jas. Goodwin Check on Montreal Bank for $155.

21—Sold H. Simmons, on acct., 40 yards Blue Broadcloth at $1·80; 10 yds. Bl'k Beaver, at $3.75. Received Cash for R. Manning's draft of the 8th inst. Sold W. West, for his draft at 10 days, on R. Bass, 50 yards French Cassimere, at $3. Bought of W. McKay, on acct., Mdse. as per bill, amounting to $95.

23—Sold Robt. Carey, on acct., 10 Summer Coats, at $2.50; 40 yards Red Flannel at 55c.

24—Gave W. McKay our draft at 10 days sight, on James Goodwin, for $100. Sold H. Simmons, on acct., 10 yards Broadcloth at $2.25; 6 doz. French Yoke Shirts, at $18 per doz. Bought for Cash Mdse., as per bill, amounting to $300. Sold James Goodwin, on acct., 10 doz. Undershirts, at $7 per doz., 8 doz. prs. Knit Drawers at $8 per doz.

25—Accepted W. McKay's sight draft on us, favor W. Barnes, for $500. Received from Robt. Carey, sight draft on James Goodwin for $125.

26—Sold H. Simmons, on account, 1 piece French Cassimere, 50 yards at $1.25.

29—Sold James Goodwin, 15 complete Umforms at $14; received in payment sight draft on Montreal Bank, $50; balance to remain on acct. Had H. Jackson's note of Nov. 26th, 1873, discounted at Merchant's Bank. Face of note $800; Interest, less discount at 7 per cent, for unexpired time, 2 months, $18.81. Cash received $818.81.* Gave W. McKay our sight draft on H. Simmons $75. Bought for Cash, Mdse., as per bill, amounting to $400. Received Cash, in full for S. Fowler's note January 25th. Paid Cash for Gas Bill, $20; Wood, $15: Rent, $50.

30—Received Cash for D. Roblin's draft of January 20th, less discount for unexpired time at 7 per cent. Paid Shop hands, cash in full for services to date, $120.

Inventory.—Merchandise unsold, $3800; *Real Estate*, $700.

Net Gain, $425.60.

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*It is the custom of Banks, when a note bearing interest is discounted, to compute the interest for the full time on the face of the note, and add it to the principal, then discount the amount. In this case, Jackson's note bears interest at 7 per cent for six months and 3 days, and will amount, when paid, to $823.47. The discount on this amount for the 5 months the note has to run before it becomes due, at 7 per cent, is $9.66, and this deducted from $823.47 leaves $813.81 the net proceeds received from the Bank.

EXAMPLE OF SINGLE ENTRY DAY BOOK.

MONTREAL, March 1, 1874.

J. S. Miller and F. Lane this day commence the Dry Goods business, investing and agreeing to share gains and losses according to article of co-partnership.

——— Miller's investment. ———

J. S. Miller, Cr.
For the following investment:

Cash as per Cash Book,	1500	
Mdse. as per Inventory,	800	
Note and Draft as per Bill Book,	1000	
Balance due from J. R. Marvin,	125	3425

——— Lane's investment. ———

F. Lane, Cr.
For investment as follows:

Cash as per Cash Book,	1500	
Mdse. as per Inventory,	1200	
Real Estate, Lot Mountain St.,	700	
Notes as per Bill Book,	1000	
Interest on H. Jackson's note,	14 94	4414 94

"

J. R. Marvin, Dr.
To Balance favor J. S. Miller, 125

2

W. McKay, Cr.
By Mdse. as per Invoice No. 1, 1800

"

Robert Carey, Dr.

To 50 yds. Bl'k Broadcloth at	$2 25	112 50
" 12 Fancy Neeties "	1 00	12 0
" 15 doz. prs. Lisle Th'd Stockings, at	3 25	48 75 — 173 25

3

James Goodwin, Dr.

To 50 yds. Flannel at	$ 60	30
" 25 " Broadcloth at	3 75	93 75
" 66 " Cassimere "	1 25	82 50 — 206 25

——— Cr. ———

By Draft at 10 dys. on A. Benson, 55

4

H. Simmons, Cr.
By Merchandise as per Invoice No. 2, 200

——— Dr. ———

To our Note at 60 days for 100

6

Robert Cary, Cr.
By Draft at sight on W. Johnson, 50

NOTE.—The transactions of the 5th and 6th, are merely entered in the Cash Book and Bill Book, as the goods were paid for in full at the time of purchase, no personal acct. is affected and consequently no entry is required in the Day Book.

CHANGING SINGLE TO DOUBLE ENTRY.

Having finished the posting of this set according to the principles of Single Entry. you will now proceed to change the books to Double Entry. You have learned from the sets already worked out, that Double Entry comprises a *perfect* and continual record of resources and liabilities ; and by examining the Ledger of the last set as it now stands you will find that Single Entry comprises an *imperfect* record of resources and liabilities, or, a record of only a portion of them. Whenever this deficiency is supplied the requisitions of Double Entry are met. Therefore

TO CONVERT SINGLE ENTRY BOOKS TO DOUBLE ENTRY.

Carry the net gain or loss of the business to Stock, or the Proprietor's accounts, then open such additional accounts in the Ledger as are necessary to exhibit the entire resources and liabilities of the concern.

It will be necessary, in order to effect the desired change, to ascertain the net gain or loss. This is done by making out a statement of resources and liabilities ; then by taking the net capital at starting from the net worth at closing, you may ascertain the gain ; or, in a losing business ; by taking the net worth at closing, from the net capital at starting, you may ascertain the loss.

The resources and liabilities are found, in Single Entry, by ascertaining, from the Cash Book the amount of cash on hand ; from the Bill Book the resource of Bills Receivable and the liability of Bills Payable ; from the inventory the value of unsold merchandise, and from the Ledger the standard of personal accounts.

Having made out the statement of resources and liabilities, open cash, Merchandise, Bills Receivable and Bills Payable accounts in the Ledger and post to each partner's account his share of the gain ; See that your Ledger is in equilibrium, then proceed with the transactions of the next set by Double Entry, using the same Ledger, without disturbing any of the accounts already opened.

SET IX.—DRY GOODS BUSINESS.

TO THE STUDENT.

The books to be used in working this set by Double Entry, are Day Book and Journal combined, Cash Book, Bill Book and Ledger.

The eight previous sets have all been conducted upon the *old Italian method.* Another style of keeping accounts will now be introduced, which is far more in use at the present time, and by which much useless writing may be saved. It will at first require more thought on your part than the previous sets have done, but you are now supposed to have mastered the elementary principles of Book-keeping, and to be prepared for a higher step on the road to a thorough knowledge of accounts. The plan of doing this set is to entirely dispense with the *Day Book* in history form, and use instead a *Day Book in Journal form* denominated the *Journal Day Book,* in which the entries are recorded in such a manner as not only to present a complete history of the business transactions, but also to furnish debits and credits under the proper Ledger titles, ready for posting; thus rendering it useless to keep a Journal. The general rule for Journalizing now becomes a general rule for determining the proper debits and credits in making original entries. In writing up your Journal Day Book remember that no cash transactions appear in it.

The Cash Book used in connection with Sets V to VIII inclusive, was only for the purpose of preserving the cash account from error, and giving you an idea of how it should be kept; but as used in this set it has a still more important office. It is the exclusive and only book of original entry for cash transactions, and these transactions are posted directly from it to the Ledger. See form and explanation of Journal Day Book and Cash Book; at the end of the set.

SET IX.—DRY GOODS BUSINESS.

MONTREAL, April 1st, 1874. J. S. Miller and F. Lane have this day changed their books from Single to Double Entry. Bought of J. R. Marvin, on acct., 100 Cords Wood at $7. Bought of Jones & Co. on our Note at 3 months with interest at 9 per cent, Mdse. as per invoice $2500.

2—Sold Robt. Carey, on acct., 2 pcs. Scotch Tweed 35 yds each at $1.50, 4 pcs. Cassimere, 30 yds each, at $2.

4—Bought for cash 10 pcs. Factory Cotton, 60 yds each, at 10c. Sold C. A. Langford, for his note at 2 months with interest at 10 per cent, 2 Cases Prints, 1500 yds, at 15c, 3 Cases Irish Linen, 1280 yds, at 25c., 1 case Scotch Tweed, 450 yds, at $1.50, 1 case Broadcloth, 175 yds, at $4. *Cash Sales this day,* $134.75.

NOTE.—Transactions in no wise connected with cash are to be entered only in the Day Book and exclusive cash transactions, only in the Cash Book.

6—Shipped per steamer Alexandra, and consigned to B. Way, Picton, to be sold on our account, 8 pcs. Broadcloth 20 yds each at $4. Paid freight on same, $6.50. *Cash Sales* $136.20.

8—Sold Real Estate for $1250. Received in payment draft at 15 days on Thomas Davis for $850. Cash for the balance $400.

9—Gave W. McKay draft at 30 days on James Goodwin for $287.50. *Cash Sales* $195.

10—Received from Robt. Carey cash on acct. $100. Sold A. Diamond, for check, 4 yds Black Broadcloth at $5.00, 3 yds Scotch Tweed at $2. 1 Vest Pattern $5. *Cash Sales this day* $230.15.

12—Bought of Henry & Co., 20 pcs. Red Flannel 40 yds each, at 30c., 10 pcs. Winsey, 30 yds each, at 25c. Gave in payment sight draft on H. Simmons for $269.50. Cash for balance. *Cash Sales* $200.

14—F. Lane withdrew on private account $150. Paid Gas Bill $14.50, Taxes $45.70. *Cash Sales* $170.

16—Received from B. Way. Picton, acct. of Sales of Mdse, shipped him 6th inst. The net proceeds, remitted per check, amount to $760.75.

17—Sold S. Edsall, on his note at 3 months, 4 pcs. Summer Tweed, 35 yds each, at $1.50. *Cash Sales* $180.

18—Had S. Edsall's note discounted at Montreal Bank. Discount off at 7 per cent $———. Cash received $———† Paid cash for a bill of Mdse. bought at auction $75.20.

20—Paid clerk hire $140. For sundry expenses $18.50.

21—Bought for cash, from T. J. Claxton & Co., Mdse. as per invoice, $1200. Paid for cartage $1.50, sundry expenses $9. *Cash sales* $245.50.

22—Bought of J. G. Mackenzie & Co., Mdse., as per invoice, $800. Gave in payment my acceptance at 5 days $550. Cash for balance $250. *Cash sales* $725.

23—Bought of J. McKay, for cash Mdse. $150. J. S. Miller withdrew on acct. $200. *Cash sales this day* $475.50.

26—Paid cash for my draft of 22nd inst., favor of J. G. Mackenzie & Co. $———. *Cash sales* $695.40.

30—Bought for cash, of T. Anderson, Mdse. $100. Paid for insurance $14.75. Cartage $3.20. *Cash sales* $480.25.

INVENTORY OF RESOURCES AND LIABILITIES NOT SHOWN ON THE LEDGER*.

RESOURCES—*Merchandise remaining unsold* $12300. *Interest Receivable. Accrued to date on Langford's note* $13.87.

LIABILITY—*Interest payable—Accumulated on our note favor Jones & Co.* $18.12.

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* There is a marked peculiarity in this Inventory, viz. the showing of a liability as a necessary part of the inventory. Another peculiarity growing out of this presentment of facts is the debiting of Interest Account with the liability of interest, as well as crediting it with the resource of interest, before closing the account. This enforcement of a correct theory should be thoroughly understood and carried out in the remaining sets.

† This is exclusively a cash transaction, and entered on both the debit and credit side of the Cash Book. Enter the full amount of note on the debit side as if the firm actually received it, and then enter the amount paid for discount on the credit side.

JOURNAL DAY BOOK—SET IX.

You are requested to observe particularly the following form, that you may be able to express, in this manner, any conceivable transaction, combining all the essential points of the separate Day Book and Journal. Very few business houses adopt the old method of first entering transactions in a historical Day Book, and journalizing therefrom. Where more practical forms, for the purpose of condensation, are not in use, the Journal Day Book meets with great favor, as being both plain and practical.

In writing up this book, make your journal entry first, from the record of transactions; then write the explanation immediately under it in a smaller hand, commencing about half way between the centre of the page and the date column, as illustrated in the following

FORM OF JOURNAL DAY BOOK.

MONTREAL, April 1, 1874.

38	Expense Dr.,			700		
32		To J. R. Marvin,				700
	Bought on acct. 100 cords wood at $7.00,					
		"				
34	Mdse. Dr.,			2500		
35		To Bills Pay.,				2500
	Bought of Jones & Brown on our note, as per B. B., with interest at 9 per cent Mdse. as per invoice,					
		2				
32	Robert Carey, Dr.,			345		
34		To Mdse.,				345
	Sold him on acc't as follows:					
	2 pcs. Scotch Tweed, 70 yds., at... ...$1 50					
	4 " Cassimere, 120 " " ... 2 00					
		6				
37	Shipment to Way Dr., *			640		
34		To Mdse.,				640
	Shipped to B. Way, Picton, per steamer Alexander, to be sold on our account:					
	8 pcs. Broadcloth, 160 yds., at 4 00					
	Paid freight on same as per C. B.					
		8				
35	Bills Rec., Dr., *			850		
37		To Real Estate,				850
	Sold, Lot on Mountain Street for 1200. Received above Draft as per B.B., and cash as per C B. for balance.					
		9				
31	W. McKay, Dr.,			287	50	
33		To Jas. Goodwin,				287 50
	Gave McKay a draft at 30 dys. on J. Goodwin for above amount.					
				5322	50	5322 50

* These transactions being of a mixed nature are entered in both Journal Day Book and Cash Book.

THE CASH BOOK.

The Cash Book is the most important of all the auxiliary books, for the cash account is found to be the most difficult to keep correctly of the whole list of accounts, because cash is the basis of all trade, and is constantly passing out for purchases, expenses, &c., and coming in for debts and sales.

In business the Cash Book is generally balanced every night. We could not, in a work like this, introduce a sufficient number of entries to carry this out; we have therefore left it open until the end of the month.

As the following Cash Book is the book of original entry for all such transactions as are entered upon it, great care is necessary in making these entries.

They should be made in such a manner that any person may be able to determine what account was intended to be debited or credited for the money paid or received. For this purpose accountants adopt the following RULE.

When money is received, write the name of the account to be credited for it, next the folio or date column on the left side, and the words of explanation, on the same line a little to the right. When money is paid write the *name* of the account to be debited for it, next the folio or date column on the right side, and the words of explanation on the same line a little to the right.

The Ledger titles should be kept in a perpendicular column, separated by a slight space from the words of explanation. And it adds greatly to the appearance of the book to begin the words of explanation all on a perpendicular line, made by a light pencil mark, and write them one-half smaller than the Ledger titles.

Post from the Cash Book and Journal Day Book in the same order, as regards the dates when the transactions were entered.

The following is a very convenient form for a Cash Book to be kept in connection with a general merchandise business. The feature of *special columns* may be extended, if desirable, as will be shown in a subsequent part of the work.

It will be seen that all cash entries, debit and credit, are taken directly to the Ledger from this book, together with all accounts producing or costing cash. The amounts distinguished as "per Petty Cash Book," are entered here from a book containing sales too insignificant to be entered on the regular books.

1874 ——————CASH.—————— Dr.

Apr.				Mdse.		Sundries.	
1			Balance from last month, $3015.04				
4	✓	Merchandise,	Sales from Petty C. B.	134	75		
6	✓	"	" " " "	136	20		
8	3	Real Estate,	Lot Mountain Street, D. B.			400	
9	✓	Merchandise,	Sales as per Petty C. B.	195			
10	32	Robert Carey,	on acct.			100	
"	✓	Merchandise,	A. Diamond's check.	31			
"	✓	"	Sales Petty C. B.	230	15		
12	✓	"	" " "	200			
16	37	Ship't to Way,	Net proceeds per check.			760	75
17	✓	Merchandise,	Sales from P. C. B.	180			
18	35	Bills Receivable,	Edsall's Note discounted.			210	
21	✓	Merchandise,	Sales from P. C. B.	245	50		
22	✓	"	" " "	725			
23	✓	"	" " "	475	50		
26	✓	"	" " "	480	25		
	34		*Total to Merchandise,*	3033	35	3033	35
	33		*Total to Cash,*			4504	10
			From last Month,			3015	04
						7519	14

The columns headed "Mdse," will be found very convenient, for posting. Should the cash transactions of a month extend over several pages, the footings of these columns are brought forward to the end of the month and posted in total. The check marks in the column following dates, are made to indicate that the amounts opposite, in the "Mdse." column are not to be posted, and the figures are the pages of the accounts in the Ledger to which the amounts in the "Sundries" column opposite, have been posted. The method of posting from the Cash Book is extremely simple.

The amounts in the "Sundries" column on the Dr. side are posted to the *credit* of their respective accounts—the page of the Ledger being indicated in the folio column, and the amounts in the "Sun-

Note.—The balance from last month, it will be observed, has not been extended in the money columns because it is already entered in the Ledger; if extended it would be added with the total receipts, and posted a second time. It is necessary to add the cash in hand from last month with the receipts during this month in order to obtain the proper balance. When you require to continue the Cash Book, after it has been closed, bring down the Balance on the Dr. side, without extending the amount in the money columns, and continue it, the same as above.

SET IX.

1874 — CASH. — Cr.

				Mdse.		Sundries.	
Apr.							
4	✓	Merchandise,	Invoice Cotton as per D. B.,	60			
6	37	Ship't to Way,	Freight on same,			6	50
12	✓	Merchandise,	Invoice from Henry & Co.,	45	50		
14	30	F. Lane,	Withdrew on Acc't.,			150	
"	38	Expense,	Gas Bill $14.50, Taxes $45.70,			60	20
18	58	Discount,	On S. Edsall's Note,			3	76
"	✓	Merchandise,	Bought at Auction,	75	20		
20	38	Expense,	Wages 140, Books $18.50,			158	50
21	✓	Merchandise,	T. J. Claxton & Co.'s Invoice,	1200			
"	38	Expense,	Cartage $150, Repairing $9			159	
22	✓	Merchandise,	Invoice, J. G. M., D. B.,	250			
23	✓	"	Invoice, J. McKay,	150			
"	30	J. S. Miller,	Withdrew on Acc't.,			200	
26	35	Bills Payable,	Draft favor J. G. M.,			550	
	34						
	33	*Total to Merchandise,*		1780	70	1780	70
		Total to Cash,				3068	66
		BALANCE *				4450	48
						7519	14

dries" column, on the Cr. side, to the *debit* of their respective accounts. The footing of the "Mdse." column, on the Dr. side, is posted at the end of the month, to the *credit* of Merchandise account, and the total footing of the "Mdse." column, on the Cr. side, to the *debit* of merchandise account. The cash received or amount of the Dr. side of the Cash Book, is then posted to the *debit* of Cash account, and the total footing of the Cr. side, or cash disbursed, to the *credit* of cash account in the Ledger.

As the *debit* side of the Cash Book contains the *credits* of all accounts producing cash, and the *credit* side the *debits* of all accounts costing cash, it will be seen that when the above posting is completed a double entry is effected.

* Red ink.

NOTE.—In making entries in your Cash Book, always observe the above style of arrangement and NEVER ENTER THE TITLE CASH anywhere in this book except the heading at the beginning of a page; for you enter nothing in it but cash. It is unnecessary to use the words "received" and "paid" in explaining an entry, as nothing is entered on the debit side of this account except cash received and nothing but cash paid out on the credit side.

In balancing the Cash Book, always rule that side first upon which appears the greatest number of entries, and have the footings of the two sides directly opposite one another.

QUESTIONS FOR REVIEW.—BUSINESS SERIES.

What are the three great qualities to be observed by an accountant? How many days are allowed for the payment of a bill, after the time mentioned on its face expires? When the term of a bill is expressed in days, when do you begin to count the time to run? Give an example. When the term of a bill is expressed in months how do you determine when it falls due? Give an example of bills drawn on different dates and running the same time falling due on the same day. Explain how the term of payment may be extended three or four days, by advancing the date of bills one day. When the last day of grace of a bill falls on Sunday or a bank holiday when is it payable? Give examples of bills dated on different days and having the same time to run, in months, falling due on the same day.

Give rules to determine when to date bills in order to advance the day of payment, and to tell the precise day upon which they become due.

Describe the Bill Book. What is a draft? How many persons are interested in a draft? How is a draft at sight considered by the drawee and payee?

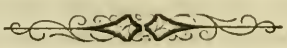
Give rules for making the Drawer's, Drawee's, and Payee's entries in case of a *Sight Draft*. In case of a *Time Draft*. What gives rise to the accounts of Shipments and Consignments? Define the terms Consignor and Consignee. Define Shipment. How is "Shipment" account conducted and closed in the Ledger? Define Consignment. How is "Consignment" account conducted and closed? Describe the Cash Book. How often should the Cash Book be balanced? How may the Cash Book be tested at any time?

What are the principal books used in Single Entry?

What transactions are entered in the Single Entry Day Book? What distinction is there between the mode of entering purchases and sales?

Why is it necessary to mention the items of sales?

How may the net gain or loss of a business be found when the books are kept by Single Entry? Describe the method of changing a set of books from Single to Double Entry.



THE CANADIAN ACCOUNTANT,

PART II.

Containing the most Practical Forms of keeping Accounts, adapted to the various departments of business,

INCLUDING

COMPLETE SETS OF BOOKS

IN

Wholesale and Retail Merchandising, Manufacturing, Settlement of Estates, Etc., Etc.,

TO THE STUDENT.

You have now been presented with nine Sets of Books, eight by Double Entry and one by Single, representing you as carrying on different kinds of business, some of which have been prosperously pursued and others attended with misfortune. The exercises already passed over are considered sufficient to illustrate the opening and closing of books, both individual and partnership, under the various positions of gains and losses, capital and insolvency.

A good understanding of the preceding Sets will ground you thoroughly in the principles of the science of Book-keeping. We will next present you with some of the most approved methods and practical forms of keeping accounts, such as are now in use in counting-houses in the various branches of business.

The many changes in the form and use of the different books and the constant improvements made, so as the better to adapt them to any specific class of business required, are effected by practical accountants, and writers on the subject have by no means kept pace with the progress made. The want of practicability in the treatises on Book-keeping already in use, and the desire to keep pace with the age, occasioned us to publish this work.

BUSINESS STATEMENTS.

There are many kinds of business statements now in use, each possessing some peculiar merit, and all having the same general purpose in view, viz.; that of exhibiting the real and progressive condition of the business represented. The forms hitherto used in this work, part I., are both simple and comprehensive, and would probably be preferred by one not versed in Book-keeping as they are easily understood; but as it is necessary that you should understand different modes of making out business statements, and as we know of no form that compasses so much within such limited space, as that given on the following page, we request you to make out a similar BALANCE SHEET from each of the following Sets.

A Trial Balance taken with Dr. and Cr. footings, similar to the following, will be sufficient to exhibit the necessary results of the Ledger from which to render a Balance Sheet.

L. F.		DR. FOOTING.		CR. FOOTING.	
12	Stock, ...			8000	50
12	Cash, ...	6850	50	2725	15
13	Flour, ...	5080		2810	
14	Wheat, ...	2420		1630	
14	N. W. Phillips, ...	710		50	
15	Robert Brown, ...	930		1000	
16	Bills Payable, ...	1280		1380	
17	Bills Receivable, ...	620		450	
18	Expense, ...	155	15		
		18045	65	18045	65

The following form taken from this Trial Balance will illustrate the process of making out a BALANCE SHEET. Full instructions for cases where two or more partners are engaged in a business, are given on page 101.

† ——————— BALANCE SHEET.

TAKEN, BELLEVILLE, JANUARY 30TH, 1874.	L. F.	TRIAL BALANCE. DR.	TRIAL BALANCE. CR.	INVENTORY.	REPRESENTATIVE. LOSSES.	REPRESENTATIVE. GAINS.	STOCK. DR.	STOCK. CR	REAL. RESO'C'S	REAL. LIABILI'S
Stock,	24		8000 50					8000 50		
Cash,	24	6850 50	2725 15						4125 35	
Flour,	25	5080	2810	3360		1090			3360	
Wheat,	25	2420	1630	1050		260			1050	
N. W. Phillips,	25	710	50						660	
Robert Brown,	25	930	1000							
Bills Payable,	26	1280	1380							70
Bills Receivable,	26	620	450							100
Expense,	26	155 15			155 15				170	
		18045 65	18045 65	4410						
		* To Stock, Net Gain.			1194 85			1194 85		
					1350 00	1350				
						*To Bal. Net Capital	9195 35			9195 35
							9195 35	9195 35	9365 35	9365 35

NOTE. Should there be a large number of personal accounts, it will be found difficult to include them all SEPARATELY in this form. In such cases it is customary to employ the two general titles, "Accounts Receivable," and "Accounts Payable," the one embracing all amounts owing TO us on personal account, and the other all amounts owing by us. This curtailment will enable the facts of any common business to be shown in this form.

* Red Ink.

† Proprietor's Name.

BALANCE SHEET.

In commercial language a "Balance Sheet" signifies the systematic arrangement of facts, for the purpose of exhibiting at a view the condition of business. The forms in use vary, according to the necessities of the occasion or the ingenuity of the accountant. The following explanation will be found serviceable in preparing this sheet for the entries. The method of enforcing the facts will be apparent to any diligent student.

1. Take a sheet of paper of proper size, and for a border, rule double red lines around the margin.

2. Rule parallel head-lines, leaving proper space for double captions, as in the example.

3. Ascertain the number of Ledger accounts to be represented; which will embrace all the accounts in the Trial Balance that do not cancel. If the business is that of a single proprietor, usually called "Stock" business, rule in pencil as many lines as will contain all the accounts and *five* additional. If it be a partnership business with two or more partners, rule three additional lines for each partner; thus, for "Stock" business, *five* lines more than all the accounts; for two partners, *eight* lines more than all the accounts; for three partners, *eleven*lines more, and so on.

4. Lay off proper spaces for debit and credit money columns; first for the footings of Ledger Accounts, second for Gains and Losses third for stock, or if partners, for each partner—and fourth for Resources and Liabilities, also a *single* money column for Inventories, and for Ledger titles and their Ledger folios. The position of these columns will be seen in the example given.

5. After denoting the proper space for each heading, which can best be done with pencil, commence to rule in red ink at the right hand and bring all the lines of the two captions, "Real Accounts" and "Stock" or one of the partners, down to the lower pencil line. For the other partners drop two lines. For Losses and Gains drop two lines in "Stock" business, and one additional for each partner.

6. Rule the foot lines as shown, and the schedule will be ready to receive the accounts.

SHIPMENT CO.'S AND MERCHANDISE CO.'S.

"Shipment Company" is a term used to represent your interest in merchandise or other property shipped by you to be sold on joint account and risk of yourself and other parties; or it may represent your interest where you receive intelligence that other parties have shipped to a third party and that you are interested.

It is made Dr. for your interest and share of the costs in the speculation when the shipment is made, and at the same time debiting the parties interested with you for their share of the merchandise and charges; it is credited with all incomes, and after being posted to the ledger, closes "To" or "By" Loss and Gain.

Should you wish to close the ledger before an account of sales has been received, credit Shipment Company "By Balance Inventory" for the amount it cost you.

The title "Merchandise Company" is a fictitious name given to goods or other property received by you to sell on joint account and risk. It is made Dr. to the consignor, when received for only your interest, and the charges incurred on the full shipment. The consignor should be credited for your share in the goods unless settled for at the time of receiving them, the same as though bought of him on account.

In selling goods that have been received to sell on joint account, Cr. Merchandise Company for all sales.

In closing a Merchandise Company, deduct total charges from total sales. This leaves net proceeds in favor of all parties, each one having shared his part of the charges incurred.

Now, having in your possession the proceeds, each interested party should be credited with his share of them. In closing a Merchandise Company, it is made Dr. to commission, to all charges which have not been posted, to the shipper or shippers for their net proceeds, and to Loss and Gain for your gain; if a losing operation, Loss and Gain is made Dr. to Merchandise Company for your loss. Should the goods, at the time of closing, be but partially sold, then Merchandise Company should be Cr. in the Ledger "By Balance Inventory," only for your share of the merchandise remaining on hand, the remainder belonging to the shipper or shippers.

Shipment Companies and Merchandise Companies represent the temporary co-partnerships existing between the consignor and consignee, having reference to the sale of particular consignments of

merchandise. The nature of these co-partnerships differ from that of a general co-partnership only in their duration, and the manner of their sales. The consignee acts as a commission merchant, and in that capacity receives and disposes of the property as he would of a simple consignment; the only difference being that he is interested in the gains and losses.

A second method of considering these transactions, is to recognize the principle that the holder of the property is responsible for it. Thus, when you receive from G. C. Holton & Co. an invoice to be sold on joint account, you debit Merchandise Company with the invoice and expenses, and credit the consignors with the cost of the invoice, thus making yourself responsible for the property as though it were all your own. The consignors' entry, (recognizing the same principle) will be to debit you for the entire cost of the merchandise. Where there are more than two parties interested, if the accounts are kept by this method, the consignee should debit the Merchandise Company with its entire cost—invoice and expenses—and credit the consignor with their (the consignee's and consignor's) joint share, and any other party or parties with his or their share.

The consignor's entry in such a case would be, to debit the consignee with their joint share, and each of the other parties with his or their share. The other parties would, if making an entry to correspond, debit the consignee and credit the consignor each for his own share.

The foregoing illustrations, it is hoped, will be sufficient to fasten the principles of these accounts upon the mind of the learner. The only difference in the two methods, is a simple matter of time. By the first method the consignee is considered as responsible for the property *when he has disposed of it*, and by the second, *when he received it.* The final result is the same in either case; though, so far as right and responsibility are concerned, the first method is the correct and philosophical one—the principle recognized being that the owner of the property is responsible.

We submit these separate methods because we consider that the more the learner permits himself to dwell upon these principles, and the better he comprehends them in all their bearings, the more thorough and available will be his knowledge.

The Companies in their current condition are neither real nor representative. For this reason it is deemed best to close them by a journal entry, when the property they represent is disposed of.

The exercises on the following pages will show the application of the foregoing principles.

EXERCISES ON JOURNALIZING SHIPMENT CO.'S AND MERCHANDISE CO.'S.

You should lay a sheet of paper over the following solutions and not refer to them while you are writing out the Journal Entries.

Transactions.

1—Jones ships Brown, to be sold on joint account and risk. Mdse. valued at $1200. And pays insurance on same $40.

2—Brown on receipt of the goods pays freight and other charges amounting to $70.50.

3—Brown sells the goods for $1450. Receives in payment, a check for $500, cash $500, and a note for the balance.

4—Brown renders an account of sales, his charges are as follows; Drayage $4.50, Storage $5.00, Cooperage $6.50, Commission 3%.

The following form explains the manner of closing the Mdse Co.

Total Sales,		$1450
Charges already posted	$70.50	
" not "	16.00	
Commission	43.50	130
Total Net proceeds		1320
Brown's one half	660.00	
Cost of " "	620.00	
Brown s gain	40.00	

5—Jones' entry on receipt of above account of sales.

6—Brown's entry on remitting am't. to balance Jones' acct. per check.

7—Jones' entry on receipt of above remittance.

8—Received from Smith for sale on joint acct goods valued at 840. Paid freight on same $100, wharfage, storage, drayage, &c. $60.

9—Having sold the goods for $850 I render an acct. of sales. Charges already posted $160, after charges for drayage, etc, $10. Commission and guarantee 5 per cent.

10—Suppose the above goods sold for $1200 and I remit the amount due Smith with the acct. of sales.

Journalized.

1—Ship't Co. "A" Dr. $620.
Brown " 620.
To Mdse. $1200.
" Cash 40.

2—Mdse. Co. "A" $690.50
To Jones $620.
" Cash 70.50

3—Cash Dr. $1000
Bills Receivable " 450
To Mdse Co. "A" $1450.

4—Mdse Co. "A" Dr. $759.50
To charges $16.
" com. 43.50
" Jones 660.
To Loss & Gain 40.

In closing a Mdse Co. and making the acct. of sales entry, first find what all the sales amount to, then the total charges, then by deducting the total charges from the total sales you obtain the net proceeds. The gain or loss is found by taking the difference between the net proceeds and the amount you credited the shipper for when you received the goods.

5—Brown Dr. $660.
To Ship't Co. "A" $660.

6—Jones Dr. $1280,
To Bank $1280.

7—Cash Dr. 1280,
To Brown $1280.

8—Mdse Co. Dr. $580.
To Smith $420.
" Cash 160.

9—Mdse. Co. Dr. $270,
Loss & Gain " 101.25,
To Smith $318.75
" Commission 42.50
" Charges 10.00

10—Smith Dr. $420
Mdse Co. " 620
To Cash $905.
" Commission 60.
" Charges 10.
" Loss & Gain 65.

11—Suppose the above goods were all destroyed by fire after coming into my possession.	11—Loss & Gain Dr. $500, Smith " 80, To Mdse Co. $580.
12—Suppose the goods per No. 8, were partially destroyed and the balance sold for $150.	12—Loss & Gain Dr. $425, Smith " 5, To Mdse. Co. $430.
13—Shipped West to be sold on joint account of East consignee and myself each ⅓; goods valued at $1200. Paid Insurance on same $30.	13—Ship't Co. Dr. $410, West " 410, East " 410, To Mdse. $1200. " Cash 30.
14—West returns the whole of the above goods. Charges paid by him $60.	14—Mdse. Dr. $1200, To West $420. " East 400. " Ship't Co. 380.
15—Suppose that, in example No. 4. Brown has only sold ½ the goods for $700, at the time of rendering an acct. of sales, and that the charges and Commission are the same as in former case.	15—Mdse. Co. Dr. $319.50, Loss & Gain " 13.75, To Charges $ 16. " Com. 21. " Jones 296.25
16—Suppose S. G. Beatty sends you $2000 worth of Mdse. for sale on joint acct., and you add goods to make up the joint property to $3500, what will your entry be?	16—Mdse. Co. Dr. $1750. To S. G. Beatty $ 250. " Merchandise 1500.
17—What will S. G. Beatty's entry be in the above case, when he receives advice and invoice of goods added?	17—Ship't Co. Dr. $750 To S. G. Beatty, $750.
18—Supposing the whole of the speculation per No. 16 produce only $3000 and your charge for commission is 4%, how would the account close?	18—Mdse. Co. Dr. $1250. Loss and Gain, 310. To Commission, $120. " S. G. Beatty. 1440.

You should now analyze a number of similar entries and find the correct amounts to form the Journal entry, which, as explained heretofore, when correct, will always close the account on the Ledger.

It is very difficult to understand the closing entry of either a Mdse. Co. or a Consignment unless you have before you the position of the account upon the Ledger.

SET X.

(Corresponding with Set VIII, Part I.)

INCLUDING PRACTICAL FORM OF DAY BOOK AND JOURNAL COMBINED. ILLUSTRATING THE DISTINCTION BETWEEN SINGLE AND DOUBLE ENTRY.

The transactions comprising this Set are the same as those in Set VIII, and are selected for the purpose of showing the exact difference between Single and Double Entry. A careful study and comparison of the two sets in their similar and dissimilar points will open to the mind of the student a clearer distinction between the two methods of accounts than could be affected by any other form of reasoning.

This distinction is most apparent in the Ledger where it will be seen that the *additional* accounts required by Double Entry are useful, mainly, to denote special gains and losses.

In performing the work of this set you are required to introduce the

SIX-COLUMN JOURNAL.

The principal feature of this book, that of affording special columns for the accounts most used, may be carried to any desirable extent ; and in some business houses as many as *eight* special debit and credit columns are used.

Its advantages may be briefly stated as follows :

1st. A vast saving of time and space in posting.

2d. Embracing the principles of *four* books in *one*, viz : Cash Book, Invoice Book, Sales Book and Journal.

3d. Showing monthly totals of the principal accounts in the Ledger, that the same may be compared year after year.

4th. Affording an opportunity to post personal accounts immediately, the debits and credits appearing separately in the "Sundries" column.

5th. Giving additional security of the correctness of the Ledger, there existing no probability of omitting debits and credits of the same account.

This book is called the Six-column Journal, because it is ruled with six columns : three debits on the left and three credits on the right. In making an entry the same form of expression is used as upon the Journal Day Book of last set. In entering an invoice of sale, short—extend the particulars first, like Carey's or Goodwin's entries on form.

The method of posting from this Journal is very simple. The separate items in the "Sundries" column are posted the same as from the common Journal, while the amounts of the "Cash" and "Mdse." columns are posted in totals at the close of each month. Every time these accounts are posted, it makes a period in the amounts brought forward on the Journal, and the new period commences with the heads of the columns empty.

Before commencing this set observe closely the form of Six-Column Journal given, as an understanding of it, at the beginning, will greatly facilitate your progress.

SET X.—DRY GOODS BUSINESS.

Two Partners.

Montreal, March 1st., 1874. J. S. Miller and F. Lane this day commence the Dry Goods business, at No. 114 St. James Street; agreeing to share gains and losses according to capital invested. J. S. Miller invests cash $1500; Merchandise $800; Note for $600, favor J. S. M. signed by T. Gibbard, dated January 31st, at 30 days; an accepted draft for $400, drawn by J. Jones on D. Roblin, dated January 20th, at 90 days. Balance due from J. R. Marvin $125. Total investment, $3425. F. Lane invests Cash $1500, Merchandise. $1200; Real Estate, $700; Note against S. Fowler for $200, dated January 25th at 60 days; Note against H. Jackson for $800, dated Nov. 26th 1873, at 6 months with interest at 7 per cent. Interest accrued on above note to date, 3 months and 3 days, $14.94. Total investment, $4414.94.

2—Bought of W. McKay, on acct., Invoice of Merchandise amounting to $1800. Sold Robt. Carey, on acct., 50 yards Bl'k Broadcloth, at $2.25 12 Fancy Neckties at $1 each; 15 doz. prs. Lisle Thread Stockings, at $3.25 per doz.

3—Sold James Goodwin on acct., 50 yards Flannel, at 60c.; 25 yards Broadcloth at $3.75; 66 yards Cassimere, at $1.25; received his draft at 10 days sight on A. Benson for $55; the balance to remain on acct.,

4—Bought of H. Simmons, on acct., Mdse. Invoiced at $200; gave our note, at 60 days, for $100; the balance to remain on acct.,

5—Sold W. Harding for cash, 2 ps. Irish Linen, 66 yards each, at 85c.; 35 yards Broadcloth at $2.50.

6—Sold W. Williams for Note at 30 days, 2 ps. Blue Broadcloth, 45 yards each, at $1.75: 90 yards French Merino, at 60c. Received from Robt. Carey, his draft at sight on W. Johnson, for $50.

8—Sold James Goodwin, on acct., 90 yards Scotch Tweed, at $1.25: 45 do. Red Flannel, at 55c Bought of W. Harding for our Note at 20 days, 5 ps. English Prints, 40 yards each at 25c. Sold R. Manning for his draft at 10 days, 10 yards Broadcloth at $2.25; 15 yards Mixed Tweed at $1.50.

9—Received from James Goodwin, his sight draft on J. James for $85. Bought of R. Watson, for Cash, Mdse. Invoiced, at $200.

11—Sold H. Simmons 24 yards Brown Beaver, at $3.25; received Cash $40 balance on acct. Bought of W. McKay Mdse. Invoiced at $500; gave in payment, Cash $350; balance to remain on acct.

12—Sold Robt. Carey, on acct., 55 yards Blue Broadcloth, at $1.75. Received from James Goodwin, Cash, $50; check on Montreal Bank, $30.

13—Paid W. McKay, Cash, $1200. Sold John Johnson, for his sight draft on J. Wilson, 15 prs. pants at $3.75. Sold Robt. Carey, on acct., 30 Vests, at $2.25; 1 doz. ready made Coats, at $5.50.

15—Sold H. Simmons, on acct., 9 Fine Overcoats, at $16. Sold John Cummings for his note at 20 days, 12 Complete Uniforms, at $15.

16—Bought of A. Vermilyea for our Note at 30 days, Mdse. Invoiced at $175. Received cash for Jas. Goodwin's draft of the 3rd inst. Discounted our Note of the 4th, inst., favor H. Simmons, at 6 per cent for unexpired time.

17—Received from Robt. Carey, Cash, $100. Sold James Goodwin on acct. 50 Summer Coats at $2.50. Bought of W. McKay, on 3 months credit Mdse. Invoiced at $275.

18—Received Cash in full for T. Gibbard's Note of Jan 31st, with interest at 6 per cent, for time over due 13 days. Received Cash from H. Simmonds, $40.

20—Sold W. Manning for Check on Merchant's Bank, 10 Military Coats, at $11; 10 prs. Pants at $6. Sold Robt. Carey, on acct., 5 doz. Byron Collars, at $2 per doz., 4 doz. cravats, at $3 per doz. Received from Jas. Goodwin Check on Montreal Bank for $155.

21—Sold H. Simmons, on acct., 40 yards Blue Broadcloth at $1·80; 10 yds. Bl'k Beaver, at $3.75. Received Cash for R. Manning's draft of the 8th inst. Sold W. West, for his draft at 10 days, on R. Bass, 50 yards; French Cassimere, at $3. Bought of W. McKay, on acct., Mdse. as per bill, amounting to $95.

23—Sold Robt. Carey, on acct., 10 Summer Coats, at $2.50; 40 yards Red Flannel at 55c.

24—Gave W. McKay our draft at 10 days sight, on James Goodwin, for $100. Sold H. Simmons, on acct., 10 yards Broadcloth at $2.25; 6 doz. French Yoke Shirts, at $18 per doz. Bought for Cash Mdse., as per bill, amounting to $300. Sold James Goodwin, on acct., 10 doz. Undershirts, at $7 per doz., 8 doz. prs. Knit Drawers at $8 per doz.

25—Accepted W. McKay's sight draft on us, favor W. Barnes, for $500. Received from Robt. Carey, sight draft on James Goodwin for $125.

26—Sold H. Simmons, on account, 1 piece French Cassimere, 50 yards at $1.25.

29—Sold James Goodwin, 15 complete Uniforms at $14; received in payment sight draft on Montreal Bank, $50; balance to remain on acct. Had H. Jackson's note of Nov. 26th, 1873, discounted at Merchant's Bank. Face of note $800; Interest, less discount at 7 per cent, for unexpired time, 2 months, $18.81. Cash received $818.81.* Gave W.

*It is the custom of Banks, when a note bearing interest is discounted, to compute the interest for the full time on the face of the note, and add it to the principal, then discount the amount. In this case, Jackson's note bears interest at 7 per cent for six months and 3 days, and will amount, when paid, to $828.47. The discount on this amount for the 5 months the note has to run before it becomes due, at 7 per cent, is $9.66, and this deducted from $828.47 leaves $818.81 the net proceeds received from the Bank.

McKay our sight draft on H. Simmons $75. Bought for Cash, Mdse. as per bill, amounting to $400. Received Cash, in full for S. Fowler's note January 25th. Paid Cash for Gas Bill, $20; Wood, $15: Rent, $50.

30—Received Cash for D. Roblin's draft of January 20th, less discount for unexpired time at 7 per cent. Paid Shop hands, cash in full for services to date, $120.

APRIL 1ST—Bought of J. R. Marvin on acct., 100 Cords Wood at $7. Bought of Jones & Co. on our Note at 3 months with interest at 9 per cent, Mdse. as per invoice $2500.

2—Sold Robt. Carey, on acct., 2 pcs. Scotch Tweed 35 yds each at $1.50 4 pcs. Cassimere, 30 yds each, at $2.

4—Bought for cash 10 pcs. Factory Cotton, 60 yds each, at 10c. Sold C. A. Langford, for his note at 2 months with interest at 10 per cent, 2 Cases Prints, 1500 yds, at 15c, 3 Cases Irish Linen, 1280 yds, at 25c., 1 case Scotch Tweed, 450 yds. at $1.50, 1 case Broadcloth, 175 yds, at $4. *Cash Sales this day*, $134.75.

6—Shipped per steamer Alexandra, and consigned to B. Way, Picton, to be sold on our account, 8 pcs. Broadcloth 20 yds each at $4. Paid freight on same, $6.50. *Cash Sales* $136.20.

8—Sold Real Estate for $1250. Received in payment draft at 15 days on Thomas Davis for $850. Cash for the balance $400.

9—Gave W. McKay draft at 30 days on James Goodwin for $287.50. *Cash Sales* $195.

10—Received from Robt. Carey cash on acct. $100. Sold A. Diamond, for check, 4 yds Black Broadcloth at $5.00, 3 yds Scotch Tweed at $2. 1 Vest Pattern $5. *Cash Sales this day* $230.15.

12—Bought of Henry & Co., 20 pcs. Red Flannel 40 yds each, at 30c., 10 pcs. Wincey, 30 yds each, at 25c. Gave in payment sight draft on H. Simmons for $269.50. Cash for balance. *Cash Sales* $200.

14—F. Lane withdrew on private account $150. Paid Gas Bill $14.50, Taxes $45.70. *Cash Sales* $170.

16—Received from B. Way. Picton, acct. of Sales of Mdse, shipped him 6th inst. The net proceeds, remitted per check, amount to $769.75.

17—Sold S. Edsall, on his note at 3 months, 4 pcs. Summer Tweed, 35 yds each, at $1.50. *Cash Sales* $180.

18—Had S. Edsall's note discounted at Montreal Bank. Discount off at 7 per cent $———. Cash received $———. Paid cash for a bill of Mdse. bought at auction $75.20.

20—Paid clerk hire $140. For sundry expenses $18.50.

21—Bought for cash, from T. J. Claxton & Co., Mdse. as per invoice, $1200. Paid for cartage $1.50, sundry expenses $9. *Cash sales* $245.50.

22—Bought of J. G. Mackenzie & Co., Mdse., as per invoice, $800. Gave in payment my acceptance at 5 days $550. Cash for balance $250. *Cash sales* $725.

23—Bought of J. McKay, for cash Mdse. $150. J. S. Miller withdrew on acct. $200. *Cash sales this day* $475.50.

26—Paid cash for my draft of 22nd inst., favor of J. G. Mackenzie & Co. $———. *Cash sales* $695.40.

30—Bought for cash, of T. Anderson, Mdse. $100. Paid for insurance $14.75. Cartage $3.20. *Cash sales* $480.25.

INVENTORY OF RESOURCES AND LIABILITIES NOT SHOWN ON THE LEDGER.

RESOURCES—*Merchandise remaining unsold* $12300. *Interest Receivable. Accrued to date on Langford's note* $13.87.

LIABILITY—*Interest payable—Accumulated on our note favor Jones & Co.* $18.12.

FORM OF SIX-COLUMN JOURNAL.

MONTREAL, March 1, 1874.

Mdse.	Cash	Sundries					Sundries		Cash.	Mdse.	
					Sundries Dr.,	To J. S. Miller.					
						Amounts invested.	3425				
	1500				Cash.						
800					Mdse.,	As per inventory,					
		1000		75	Bills Receivable,	T. Gibbard's Note B.B. $600					
						D. Roblin's Draft " 400					
		125		76	J. R. Marvin,	Balance of Acct.					
						"					
					Sundries Dr.,	To F. Lane.		77	4414	94	
						Amounts invested.					
	1500				Cash.						
1200					Mdse.,	As per inventory.					
		700		78	Real Estate,	Lot No 8 Mountain Street.					
		1000		75	Bills Receivable,	S. Fowler's Note as per B.B. $200					
						H. Jackson's " " " 800					
		14	94	79	Interest,	Accrued on Jackson's note.					
						2					
1800					Mdse ,						
						To W. McKay,					
						Bought on Account as per invoice.		80	1800		
						"					
		173	25	82	Robert Carey,	To 50 yds. Broadcloth, at $2.25 .. ..$112 50					
						" 12 Fancy Neeties " 1.00 .. 12 00					
						" 15 doz. Prs. L. Thread Hose at $3.25.. 48 75					
										173	25
						3					
		151	25	75	Bills Receivable.						
		55		80	J. Goodwin,						
						To 50 yds. Flannel, at 60c $30 00					
						" 25 " Broadcloth, at $3.75 . .. 93 75					
						" 66 " Cassimere " 1.25 .. .. 82 50					
										206	25
						Received in part payment draft on A. Benson as per B.B.					
3800	3000	3219	44		.. ..	Amounts Forward	9639	94		379	50

Mdse.	Cash.	Sundries.					Sundries.		Cash.	Mdse.	
3800	3000	3219	44	.. ..	Amounts Forward		9639	94		379	50
200				Mdse.	To H. Simmons.	81	100				
					" Bills Payable,	75	100				
					Bought of H. S. Goods as per invoice, gave in part payment note, as per B.B.						
					5						
	199	70		Cash Dr.,	To Mdse.					199	70
					Sold H. Harding above bill.						
					6						
		211	50	75	Bills Rec Dr.,	To Mdse.				211	50
					Sold W. Williams for his note as per B.B.						
					"						
	50				Cash.						
					To Robert Carey,	82	50				
					Received his draft at sight on W. Johnson.						
					8						
		137	25	81	James Goodwin,						
					To 90 yds. Scotch Tweed, at $1.25.. ..112 50						
					" 45 " Red Flannel " 55 .. 24 75					137	25
					"						
50					Mdse.						
					To Bills Payable,	75	50				
					Bought of W. Harding as per invoice for our Note, B.B.						
					"						
		15		75	Bills Receivable Dr.,	To Mdse.				45	
					Sold R. Manning for his draft as per B.B., bill of above amount.						
					9						
	85				Cash Dr.,						
					To James Goodwin,	83	85				
					Received his draft at sight on J. Jones.						
					"						
200					Mdse. Dr.,	To Cash.			200		
					Bought of R. Watson as per invoice,						
		3613	19		.. .. Amounts forward		10024	94			
		3334	70		.. .. Cash		200				
		4250			.. .. Mdse		972	95			
		11197	89				11197	89			

The above is considered sufficient to illustrate the form of entering transactions in this Book Continue the remainder of the set in the same way.

REMARKS ON SET XI.

This set is intended to illustrate a very practical form of keeping accounts; also some of the most important changes that take place in a partnership business. For this purpose it is continued four months, each month representing, so far as the closing of the books and the agreements of the partners are concerned, a year's business. At the end of the first year (represented by January,) the existing partners, "Student" and "S. G. Beatty," admit a new partner, who is to share in the gains and losses according to capital invested. It is a settled principle in Accounts, that whenever any change in the business occurs, the existing resources and liabilities of the concern should be made apparent; and, consequently, the proprietors' accounts should represent their investment at the time of the change. It is evident that if the accounts are all left in their current condition at the time of admitting a partner, he will unjustly become a joint-partner in the gains which accrued before he had anything to do with the business. Therefore, before admitting a new partner it becomes necessary to credit the original partners with their respective gains during business.

With this view we close the books, at the end of January, credit each partner with his net gain, and bring down the balances as instructed on page 82.

At the end of the second year (represented by February) another partner is admitted, and the business changed from that of a Retail Grocery, to a Wholesale Grocery and Shipping business.

During the third year one of the partners disposes of his interest in the business to an outside party who is allowed to assume the position of the retiring partner.

Through a disastrous fire at the end of the fourth year, the store and goods are entirely consumed; nothing being saved but the books and valuable papers. The accountant is required to effect a settlement with the Insurance Company, collect all resources and pay off all liabilities, as the partnership is to be dissolved and the business discontinued.

BOOKS USED.

The books necessary for this set are Journal Day Book, Invoice Book, Cash Book, Bill Book and Ledger.

A decided improvement in the Journal Day Book of this set relates to the keeping of a column exclusively for *credit* sales of merchandise, whereby the Journal and Sales Book are combined, and an opportunity afforded to post all sales of merchandise in total. The Invoice Book and Cash Book are used as books of original entry. The transactions of the Invoice Book are journalized without appearing in the Day Book, and the transactions of the Cash Book are posted directly to the Ledger.

See forms of Journal Day Book, Invoice Book and Cash Book immediately after the transactions for January.

SET XI—RETAIL GROCERY BUSINESS.

TWO PARTNERS.

Gains and Losses to be divided in proportion to Capital invested.

HAMILTON, January 1st, 1874.

——* and S. G. Beatty, this day form a co-partnership for the purpose of conducting the Retail Grocery business, renting from Wm. Lottbridge, Store No. 62, Macnab street, at $600 per year. Student invests cash $3800, merchandise per inventory $2500, George Stinson's note, at three months, from October 10th, 1873, with interest at 6 per cent per annum, $500, interest accumulated to date $——, A. Hamilton owes on account $250, John Smith owes on account $100. *Liabilities*—Note favor W. Brown $500, at 6 mos., from Oct. 12th, 1873, T. Durham on acct. $275.

S. G. Beatty invests cash $5500, note against W. Flemming $1750, at 6 months, from October 1st, 1873.

2—Engaged A. Overell, Alex. Forin, S. Edsall and John Laird as clerks, at $300 each per year. Sold Wm. Drewry, on acct., 3 lbs. Japan Tea at 70c, 10 lbs. Soft Yellow Sugar at 9c, 1 lb. Cloves 60c. Sold R. D. Anglin on acct., 10 lbs Java Coffee at 40c, 2 boxes Layer Raisins at $3.25, 2 lbs. Pepper at 30c. *Cash Sales* $96.

3—Bought of Rimmer Gunn & Co., Montreal, on 4 months credit, 5 bags Java Coffee, 142, 135, 136, 117, 150 lbs, tare 15 lbs. each, at 33c. Sold Jas. Allen, on acct., 100 lbs. Dry Cod $6, 12 lbs. Crushed "A" Sugar at 10½c. Paid freight on above $4.25. Deposited in Merchants' Bank $1500. *Cash Sales* $110.

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*Student's name.

NOTE.—Consider all sales effected on acct., unless payment be mentioned in the entry.

5—Bought of James Gunner & Co., Montreal, 10 bbls. Canso Herrings at $3.50, 5 bbls. Round do. at $3, 4 bbls. White Fish at $5. Paid freight $2.50. Paid E. Harrison for set of books for use of store $10.50. Sold S. Edsall, on acct., 5 gals. Standard Syrup at 50c., 10 lbs. Sugar at 10c. Sold O. Vandervoort, on acct., 2 bbls. Golden Syrup, 36 gals. each, at 45c, 2 bbls. Crushed Sugar at $25, 4 boxes Valentia Raisins at $3.25. Sold W. Ponton on acct., 5 lbs. Ground Ginger at 30c, 1 lb. Pepper 25c, 12 lbs. Prunes at 20c. Received from A. Hamilton on acct., his note at one month for $100. *Cash Sales* $145.

7—Bought of J. Carruthers & Co., Kingston, at 30 days, 20 bbls. No. 2 Sugar, 220 lbs. gross, tare 15 lbs. each, at 9½c. Sold R. D. Anglin 1 bbl. Sugar, 220 lbs. gross, tare 20 lbs., at 12c. Paid freight $4.60. Sold A. Overell 2 lbs. Tea at 95c. Sold Wm. Drewry 20 lbs. Dried Apples at 15c, 1 bbl. White Fish $7. Sold Alex. Forin 1 lb. Tea 90c, 1 lb. Candy 50c. *Cash Sales* $186.

8—Bought of S. E. Shibley, on our note at 60 days, with interest at 7 per cent. per annum, 100 bush. Apples at $1.25, 40 bush. Chili Potatoes at 50c, 50 bbls. Extra Flour at $6.10, 10 bbls. Mess Pork at $15.50. Accepted J. Carruthers & Co.'s draft at 30 days from the 7th inst. for amount of invoice and ¼ per cent. exchange. Sold Joseph Allen, 2 bush. Apples at $1.50, 2 lbs. Rice at 25c. Paid for repairing store $25. Remitted Rimmer Gunn & Co. cash for their invoice of the 3d inst. less discount at 2½ per cent. Discount $—; cash remitted $—. Received of A. Hamilton, on acct. $20. Sold John Laird, on acct., 25 lbs. Salmon at 12c, 10 lbs. Raisins at 25c. Sold T. B. Dean, on acct., 14 lbs. Sugar at 12c, 5 lbs. Dried Apples at 20c. Deposited in Merchants' Bank $1000. *Cash Sales* $250.

9—Bought of Pitceathley & Kelso, Belleville, 20 bbls. Mackerel at $5, 6 bbls. Trout at $8. Paid cash for freight $12.50. Received of O. Vandervoort his note at 90 days, bearing interest at 7 per cent, for goods sold him the 5th inst. Bought of Sinclair Jack & Co., Montreal, 5 half chests "Uncolored Japan" Tea 75, 76, 78, 77, 79 lbs. gross, tare 11 lbs. each, at 56c, 4 half chests Young Hyson, 78, 86, 75, 73 lbs., tare 9 lbs. each, at 74c, 5 boxes Pr. of W. Tobacco, 120, 125, 130, 132, 136 lbs., tare 16 lbs. each, at 30c. Paid freight in cash $13.60. Sold Joseph Allen 1 chest Tea, 130 lbs., at 90c. Sold Wm. Drewry 55 lbs. Pr. of W. Tobacco at 45c. Sold S. Edsall 3 lbs. Gunpowder Tea at 90c, 3 doz. Nutmegs at 15c, 1 bush. Onions at $1.75. *Cash Sales* $238.

10—Had O. Vandervoort's note discounted at Merchants' Bank at 8 per cent. per annum. Discount $—; cash received $—. Paid cash for sundry items of expense $22,40. Sold John Laird 12 lbs. Prunes at 2 c, 5 lbs. Raisins at 25c. Sold T. B. Dean 1 bush. Apples 1.50, 2 lbs. Raisins at 25c. Sold Alex. Forin 2 lbs. Maccaroni at 20c, 5 jars Coffee at 80c. *Cash Sales* $174.

11—Remitted Pitceathley & Kelso our note at 3 months, with interest at 8 per cent. for their invoice of the 9th inst. Paid cash for Stationery and Stamps $4.80. Sold W. Ponton 15 gals. Syrup at 40c, 1 lb. Tobacco 50c. Sold A. Overell 4 lbs. Candy at 50c, 1 lb. S. S. Almonds 55c. Received of John Smith, in full of acct. cash $50, and his note at 30 days, with interest at 8 per cent, for balance, $—* *Cash Sales* $276.

*As soon as an entry of this kind is posted, the account should be ruled up in the Ledger, in order that it may not be brought in the Trial Balance at the time of closing.

12—Bought of A. Urquhart & Co., Montreal, on 4 mos., 14 casks Bordeaux Vinegar, 50 gals. each, at 35c, 5 cases Eleme Figs, 430,32; 426,-27; 298,31; 460,30; 389,32 lbs.*, at 16c, 10 bags S. S. Almonds 130,5 each, at 21c, 100 boxes Layer Raisins at $2.25, 5 bbls. Zante Currants 256.31; 293.27; 269,29; 256.27; 298.31 lbs., at 5¾c. Paid freight in cash $22.40. Sold T. B. Dean 4 lbs. Tobacco at 50c, 2 doz nutmegs at 30c. Paid A. Overell cash $5, John Laird $3.50, S. Edsall $4.50, Alex. Forin $3. *Cash Sales* $236.

14—Received cash in full for George Stinson's note of October 10th with interest. Sold Wm. Vickers, at 30 days, 10 boxes Layer Raisins at $2.50, 1 bbl. Zante Currants 293,27 at 6½c, 1 bag S. S. Almonds 130,5 at 24c, 1 box Pr, of W. Tobacco 120,15 at 35c. Sold W. Ponton ½ case Eleme Figs, 210 lbs., at 18c, 1 bbl, Zante Currants, 233 lbs., at 6½c. Sold A. Overell 20 lbs. Prunes at 20c. *Cash Sales* $249.

15—Received from W. Vickers his note at 30 days from the 14th inst. for amount of goods sold him. Bought for cash 10 reams Wrapping Paper at 95c. Sold T. B. Dean 4 lbs. Coffee at 30c. Received of W. Ponton on acct. cash $20, Wm. Drewry $15, R. D. Anglin $10. Paid S. Edsall $9. Paid sundry expenses $4.40. Had W. Flemming's note of October 1st, discounted at Merchants' Bank at 7 per cent. per annum. *Cash Sales* $275.

16—Bought of J. H. R. Molson & Bros, Montreal, on 3 mos, 10 bbls. Crushed "A" Sugar, 246,19; 238,20; 246,21; 232.19; 268,17; 262,17; 238,18; 258,17; 293,22; 246,19, at 12½c, 5 bbls. Golden Syrup 43. 44, 45, 46, 49 gals., at 61c. Paid freight on above $5.60. Sold W. Ponton 1 bbl. Syrup, 44 gals. at 70c. Sold S. Thompson 15 gals. Vinegar at 40c. Discounted our note favor W. Brown at 7 per cent. for unexpired time. Paid T. Durham on acct. $45. *Cash Sales* $268.40.

17—Sold R. D. Anglin, 1 bbl. White Fish $12, 2 lbs. Tobacco at 50c. *Cash Sales* $196.

18—Deposited in Merchants' Bank $850. Paid cash for Tax Bill $15, Gas $25, Coal $20. Sold John Laird 20 lbs. Sugar at 13c. Received from Jos. Allen, on acct., $50. *Cash Sales* $245.

19—Discounted Sinclair Jack & Co.'s invoice of the 9th inst. at 3½ per cent., and remitted amount per draft on Bank of Montreal for which we paid cash. Received from A. Hamilton cash in full of acct. *Cash Sales* $210.40.

21—Sold Wm. Drewry 40 lbs. Sugar Cured Ham, at 15c, 20 lbs. Mess Pork at 12c. Deposited in Merchants' Bank $400. *Cash Sales* $260.

22—Paid John Laird cash $4.50, S. Edsall $2.40, Alex. Forin, $3.60, A. Overell $2. Remitted James Gunner & Co. draft on Bank of Montreal $400, for which we paid cash, exchange ¼ per cent. *Cash Sales* $174.60.

23—Received from Wm. Drewry, on acct., $10. Sold R. D. Anglin 1 bbl. Sugar, 216 lbs., at 13½c. Sold Joseph Allen 1 bbl. Mess Pork $16. Sold T. B. Dean 10 bush. Apples at $1.40. *Cash Sales* $172.

24—Deposited in Merchant's Bank $386. Accepted T. Durham's draft on us at 30 days, favor J. W. Campion, for balance of his acct. Sold M. Lingham for note at 60 days, 1 cask Vinegar, 40 gals., at 40c, 10 bush. Apples at $1.45, 50 lbs. Sugar at 14c. *Cash Sales* $268.

25—Paid for repairing store $20 per check. Lent G. J. Sherry $120, for which he gave his note at 30 days with interest. Sold Wm. Drewry 5 lbs. Japan Tea at 95c. *Cash Sales* $164.

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*The large amounts are the number of lbs. gross, and the small amounts to the right separated from them by commas are the lbs. tare allowed

26 – Student drew on private acct. $250. Deposited in Merchants' Bank $430. Sold R. D. Anglin 30 lbs. Sugar Cured Ham at 15c. *Cash Sales* $167.

28—S. G. Beatty drew on private account $167, 1 lb. Tea 75c, 3 bush. Apples at $1.25. *Cash Sales* $146.

29—Bought of Ross & Davies for cash 10 bbls. Herring at $5.50. Sold W. Ponton 25 lbs. Dried Cod at 12c. *Cash Sales* $100.

Received of Joseph Allen, on acct., $75. Paid A. Overell $4. *Cash Sales* $176.

31—Paid Alex. Forin $3. S. Edsall $2. *Cash Sales* $260.

Open a Salary Account, and pass the amount of clerks' wages, for the month, to their credit. Debit Rent Account with one month's rent of store.

Allow a profit of 25% on sales, in order to ascertain the inventory of merchandise.*

JOURNAL DAY BOOK.

The form of Journal Day Book used in this Set is similiar to that of Set IX, except that the outside column is used exclusively for credit sales of merchandise. This form is very practical and extensively used in large retail houses. It combines the Journal and Sales Book in one, and affords an opportunity of posting the sales of merchandise in monthly totals. The column containing credit sales is forwarded to the end of the month, and the cash sales, from the Cash Book, added to this amount gives the total sales, as illustrated in the following form.

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* In order to ascertain the value of unsold merchandise, divide the credit side of Merchandise Account by $1,25, the amount realized for each dollar of the cost, and the quotient will be the cost price of all merchandise sold.
The cost of all merchandise sold substracted from the cost of merchandise bought will leave the cost price of unsold merchandise.

NOTE.—As an additional partner will be admittd into the business at the beginning of the ensuing month, it becomes necessary to post all transactions up to the present time, take off a Trial Balance and Balance Sheet, and close all accounts in the Ledger, but instead of transferring balances to Balance Account, bring them down in the proper place under their respective accounts, writing "To" or "By Balance" in black ink.

JOURNAL DAY BOOK—SET XI.

HAMILTON, January 1st, 1874.

	——, and S. G. Beatty have this day entered into copartnership, to carry on the Retail Grocery business, as per Article of Agreement, renting from Wm. Lottbridge Store No. 62, Macnab street, at $600 per year.				
	"				
112	Sundries Dr. To Student.....		7156	83	
	For effects invested.				
C. B.	Cash " am't invested as per C. B..	$3800 00			
114	Merch'dise " " " inventory	2500 00			
115	Bills Rec., G. Stinson's note as per B. B.	500 00			
118	Interest accrued on above note to date...	6 83			
115	A. Hamilton owes on acc't.....	250 00			
115	John Smith " "	100 00			
	"				
112	Student Dr. To Sundries.....	$775 00			
	For liabilities assumed by firm.				
15	Bills Pay., note favor W. Brown for.....		500		
120	T. Durham, bal. of acc't assumed.....		275		
	"				
113	Sundries To S. G. Beatty.....		7250		
	For effects invested.				
C. B.	Cash as per C. B.....	$5500 00			
115	Bills Receivable, W. Flemming's note as per B. B.....	1750 00			
	"				
	Engaged A. Overell, A. Forin, S. Edsall and John Laird as clerks, at $300 each per year.				
	2				
121	Wm. Drewry,				
	To 3 lbs. Japan Tea at 70c.....	$2 10			
	" 10 " Soft Yellow Sugar at 9c	90			
	" 1 " Cloves	60			
					3 60
	"				
123	R. D. Anglin,				
	To 10 lbs. Java Coffee, at 40c...	$4 00			
	" 2 bxs. Layer Raisins at $3.25	6 50			
	" 2 lbs. Pepper, at 30c.....	60			
					11 10
	3				
121	Joseph Allen, *				
	To 100 lbs. Dry Cod, at 6c.....	$6 00			
	" 12 " Crusher "A" Sugar, at 10½c	1 26			
					7 26
	Amount forward				21 96

* Jas. Allen has been erroneously printed in the Day Book instead of Joseph.

	Brought forward					21	96
125	S. Edsall,						
	To 5 gals. Standard Syrup, at 50c	$2	50				
	" 10 lbs. Sugar, at 10c.....	1	00				
						3	50
	5						
124	O. Vandervoort,						
	To 2 bbls. Golden Syrup, 72 gals. at 45c.....	$32	40				
	" 2 bbls. Crushed Sugar, at $25	50	00				
	" 4 boxes Val. Raisins, at $3.25	13	00				
						95	40
	"						
130	W. Ponton,						
	To 5 lbs. Ground Ginger at 30c...	$1	50				
	" 1 " " Pepper, ...		25				
	" 12 " Prunes, at 20c.....	2	40				
						4	15
	"						
115	Bills Receivable	$100	00				
	To A. Hamilton			100	00		
	Received his note as per B. B., on acc't.						
	7						
123	R D. Anglin,						
	To 1 bbl. Sugar, 200 lbs. net, at 12c.....					24	00
	"						
114	Merchandise To Sundries	$1801.19					
	Invoices from the Invoice Book.						
140	To Rimmer Gunn & Co., invoice of Jan. 3,			199	65		
142	" James Gunner & Co., " " 5,			70	00		
141	" J. Carruthers & Co., " " 7,			389	50		
116	" Bills Payable, " " 8.			605	00		
146	" Pitceathly & Kelso, " " 9,			148	00		
349	" Sinclair Jack & Co., " " "			389	04		
	Merchandise Cr. By Sundries.....					149	01

The foregoing form is considered sufficient to illustrate the mode of entering transactions in this Journal. It will be observed that cash transactions and purchases of merchandise are not entered here, but carried into the Cash Book and Invoice Book.

The last entry under the heading "Merchandise To Sundries," is obtained from the Invoice Book, and should not be entered here until the end of the month.

INVOICE BOOK.

This is a book in which to copy all bills of goods purchased, in order to have a book record of the details of such transactions in case the original invoice should be lost or destroyed. This is the general practice among merchants, but it is as convenient and saves a great amount of writing, to pass the original invoices into a book made of some description of paper of a larger size than the invoices. By means of an index to this book, it will be found more convenient to refer to the original invoices than by seeking them from files.

In some business houses, where the invoices are long, they are filed and numbered, and only an abstract of them entered in this book with the number for reference. In whatever form the Invoice Book is kept, every entry affecting the debit side of Merchandise account should originate here; when this is done, it becomes a direct and perfect check upon the Dr. side of the Merchandise account in the Ledger. This book is journalized at the close of the month, under the heading "Merchandise to Sundries."

Merchandise purchased for cash is entered in this book, but posted from the Cash Book.

When a cash purchase is entered, mark "C. B." in the folio column opposite the name of the buyer, in order that it may not be journalized with the other transactions and thereby posted twice.

The two columns for dollars and cents are used for the extensions of sums total; the first or inside column for cash purchases, and the outside column for all other purchases.

Invoices of goods to be sold on commission are not entered in this book; they should either be kept in a separate book or a memorandum of them made in the Day Book, and the invoices filed away for reference. Merchants who import goods from other countries keep a Foreign Invoice Book, in which they enter all goods purchased in foreign countries, and a Domestic Invoice Book for copies of all invoices of merchandise purchased from persons in their own country.

Want of space prevents us from giving more than a few of the first purchases in the form of Invoice Book on the following page; but those given are considered sufficient to show how the entries should be made.

INVOICE BOOK,—SET XI.

HAMILTON, January 1, 1874.

D.B.			
	Mdse. invested by Student, as per Inventory Book,	2500 00	
	3		
✓	Rimmer Gunn & Co., Montreal.		
	5 lbs. Java Coffee,		
	lbs. tare.		
	142 — 15 over 413 — 45		
	135 — 15 117 — 15		
	136 — 15 150 — 15		
	413 — 45 680 — 75=605 at ... 33c		199 65
	3 months credit, or 2½ per cent off for cash.		
	5		
✓	James Gunner & Co., Montreal.		
	10 bbls Canso Herrings at $3.50 ... $35.		
	5 " Round Herrings " 3.00 ... 15.		
	4 " White Fish " 5 00 ... 20.		70 00
	4 months credit.		
	7		
✓	J. Carruthers & Co., Kingston.		
	20 bbls. No. 2 Sugar, 4400 lbs. gross,		
	300 " tare.		
	30 days credit. 4100 " net at . 9½c		389 50
	8		
✓	S. E. Shibley, Belleville.		
	100 bu. Winter Apples at $1.25 ... $125.		
	40 " Chili Potatoes " .50 ... 20.		
	50 bbls. Extra Flour " 6.10 ... 305.		
	10 " Mess Pork " 15.50 ... 155.		605 00
	Note at 60 days.		
	9		
✓	Pitceathly & Kelso, Belleville.		
	20 bbls. Mackerel at $5. ... ... $100.		
	6 " Trout " 8. ... ... 48.		148 00
	3 months credit.		
	"		
✓	Sinclair Jack & Co. Montreal.		
	5 h'lf chests Uncolored Japan Tea.		
	lbs. tare.		
	75 — 11 over 229 — 33		
	76 — 11 77 — 11		
	78 — 11 79 — 11		
	229 — 33 385 — 55=330 lbs.		
	at 56c ... $184 80		
	4 h'lf chests Young Hyson.		
	78 — 9 over 239 — 27		
	86 — 9 73 — 9		
	75 — 9		
	312 — 36=276 lbs.		
	239 — 27 at 74c ... $204.24		389 04
	2 months credit.		
	Total purchases, Journal page 118.		2708 94

CASH BOOK.

The only distinction between the following form of Cash Book and that of Set IX, is the adoption of a greater number of special columns.

This form of Cash Book will be found applicable to almost any kind of business.

The columns which we use for Merchandise, Interest, Bills Receivable, Expense and Freight, may be used for any other titles. Every business has particular accounts from which its principal income is derived, and for which its chief expenditure is paid. These accounts must always create a great number of entries, and any mode of posting these entries in accumulated amounts, must materially diminish the amount of writing in the Ledger. The number of special columns used, and the titles adopted, depends upon the nature of the business. The special columns on the Dr. side should be headed with accounts for which cash is frequently received, and the special columns on the Cr. side with accounts for which cash is frequently paid.

It will be found practical and very convenient to use a column on each side for the Bank account.

The only objection to this is, that when checks are given it is necessary to make two entries, one on the debit side crediting the Bank, as though cash had been received, and another on the credit side debiting the account for which the check was given, as though cash had been paid. The difference between these columns will show, at any time, the amount in Bank, and is usually entered at the time of closing the Cash Book, immediately to the left of the money columns on the credit side, and forwarded from page to page. The mode of entering transactions in this book and posting therefrom has already been explained on page 94.

After drawing the lines and posting the special columns, they may be entered in the extension to the "Sundries" column, with red ink. Observe, closely, the style of ruling adopted for closing this book, in the following form, and adhere to it throughout your work, as neatness and uniformity in this matter adds greatly to the appearance of books, and is of more importance in preserving accuracy and order than many persons imagine.

CASH BOOK,—

DR. CASH.

1874.		F.			Mdse.	Inter't	Bills Rec	Sundries.
Jan.	1	D. B.	Student,	Amount invested,				1800
"	"	96	S. G. Beatty,	" "				3500
"	2		Mdse.,	Sales from Petty C. B.	96			
"	3		"	" " " "	110			
"	5		"	" " " "	145			
"	7		"	" " " "	186			
"	8		Interest,	2 1-2 per cent. from R. G. & Co.'s Inv.		4 99		
"	"	98	A. Hamilton,	On account,				20
"	"		Mdse.,	Sales from Petty C. B.	250			
"	9		"	" " " "	238			
"	10		Bills Rec.,	Had O. V.'s note disc'd			95 40	
"	"		Mdse.,	This day's sales, P.C.B.	174			
"	11	99	John Smith,	Part payment of acc't				50
"	"		Mdse.,	This day's sales, P.C.B.	276			
"	12		"	" " " "	236			
"	14		Bills Rec.,	G. S.'s note of Oct. 11			500	
"	"		Interest.	On above note to date,		5 33		
"	"		Mdse.,	This day's sales, P.C.B.	249			
"	15	94	W. Ponton,	On account,				20
"	"	90	W. Drewry,	"				15
"	"	87	R. D. Anglin,	" "				10
"	"		Bills Rec.,	W. Fleming's note dis.			1750	
"	"		Mdse.,	This day's sales, P.C.B.	275			
"	16		Discount.	On our note favor W. Brown at 7 per ct.		8 46		
"	"		Mdse.,	This day's sales, P.C.B.	268 40			
"	17		"	" " " "	196			
"	18	88	Jos. Allen,	On account,				50
"	"		Mdse.	This day's sales,	245			
		52		Mdse. Cr. By Cash,	2944 40			2944 40
		58		Interest " " "		18 78		18 78
		54		Bills Rec. " " "			2345 40	2345 40
		51		Total to Dr. of "				10773 58

SET XI.

CASH. Cr.

1874.		F.			Expense.		Inter't		Freight.		Sundries.	
Jan.	3		Freight,	On R. G. & Co.'s Inv.					4	25		
"	"	65	Merch.'Bank,	Deposited,							1500	
"	5		Freight,	On J. G. & Co.'s Inv.					2	50		
"	8		Expense,	Rep'r window of shop,	25	00						
"	"	81	R. G. & Co.,	In full for inv., 3d inst.							199	65
"	"	65	Merch. Bank.	Deposited,							1000	
"	9		Freight,	On P. & K.'s invoice,					12	50		
"	"		"	" S. J. & Co.'s Inv.					13	60		
"	10		Discount,	On V.'s note at 8 pr ct.				38				
"	"		Expense,	Sundry items pr P.C.B	22	40						
"	11		"	Stationery $4; postage stamps 80c,	4	80						
"	12		Freight,	On Urquhart & Co's In.					22	40		
"	"	74	A. Overell,	On account of Salary,							5	
"	"	73	John Laird,	" " " "							3	50
"	"	70	S. Edsall,	" " " "							4	50
"	"	75	A. Forin,	" " " "							3	
"	15		Expense,	Wrapping paper, 10 reams at 95c,	9	50						
"	"	70	S. Edsall,	On account,							9	
"	"		Expense,	Sundry items, P C.B.	4	40						
"	"		Discount,	On Fleming's note at 7 per cent.			26	88				
"	16		Freight,	On J. H. R. Molson Bros.' Invoice,					5	60		
"	"	56	Bills Pay.,	Our note favor W. Brown, B. B,							500	
"	"	81	T. Durham,	On account,							45	
"		65	Merch.Bank,	Deposited.							850	
"	18		Expense,	Taxes $15, Gas $25,								
"	"			Coal $20,	60							
"												
		61		Expense Dr. To Cash,	126	10					126	10
		58		Interest, " " "			27	26			27	26
		60		Freight, " " "					60	85	60	85
		51		Total to Cr. of "							4333	86
				Balance in hand,							6439	72
											10773	58

SET XI.—SECOND MONTH'S BUSINESS.

FEBRUARY, 1, 1874.

We have this day admitted J. W. Dickie as partner who invests, according to Articles of Agreement, cash $7500.

Bought of Carr, Chase & Raymond, Boston, 100 hlf. chests E. B. Souchong Tea, 20 lbs. net, each, at 75c. U. S. currency; gold $1.10. Paid customs duty 10c. per lb., freight $12.50. Received of Wm. Drewry on account $30. *Cash Sales* $87.

2—Joseph Allen pays his Acct. in full to date by contra acct. against S. G. Beatty $15.60; cash for balance. Paid S. Edsall cash $3.50. *Cash Sales* $145.60.

4—Sold Wm. Drewry, on Acct., 14 lbs Sugar at 10c., 1 box Soap, $2, 2 lbs. green tea at 75c. Sold R. D. Anglin on acct. 1 box candles, 50 lbs., at 10½c., 10 gals. syrup at 65c. *Cash Sales* $176.

5—Bought of Rimmer Gunn & Co., Montreal, on 4 mos., 100 bbls. Sup. Family Flour at $5.25, 5 casks Soda Ash, 1540,36; 1532,29; 1564,37; 1429,18, 1612,43 lbs.; at 3½c.; Paid freight $56. Sold W. Ponton 1 bbl. Family Flour $6.50, 1 box Soap $2.25. *Cash Sales* $135.

6—Paid sundry expenses $7.50. Sold R. D. Anglin on acct. 1 bush. Dried Apples $4.25, 20 lbs. Prunes at 20c. Paid Alex. Forin cash $3.50. Sold W. Raymore on Acct. 50 lbs. Sugar Cured Ham at 17c., 3 lbs. Green Tea at 90c., 10 gals. Vinegar at 26c. *Cash Sales* $174.

7—S. G. Beatty draws on private account cash $50, 3 lbs. Tea at 60c., 20 lbs. Sugar at 9½c., 2 bbls. Flour at $6.25. Received of R. D. Anglin, on acct. $25. Lent W. R. Barber $150. Paid our note favor S. E. Shibley less discount for unexpired time. Remitted A. Urquhart & Co. a draft on Bank of Montreal for amount of their invoice of January 12th, less 2½ per cent discount; paid cash for draft, ¼ per cent exchange, and necessary stamps. *Cash Sales* $146.

8—Bought of Dobson & Sons, Port Hope, on 60 days, 200 doz. Corn Brooms at $3.25, 50 doz. at $2.95, and 20 doz. at $4.00; paid freight $24.50. Sold Joseph Allen 10 doz. Brooms at $3.50, 2 chests Y. H. Tea, 67,6½; 74,7½ lbs. at 75c. Paid for coal $26. Paid W. Lottbridge for 2 mos. rent of store per check. Deposited in Merchant's Bank $490. *Cash Sales* $156.

9—Shipped per G. T. R. and consigned to C. Hutchison, Toronto, to be sold on our Acct. and risk 100 hlf. chests E. B. Souchong Tea 20 lbs. net each at 79c.; paid freight on the same per check $15. T. B. Dean pays his Acct. in full to date by contra acct. for repairing store $4, and cash for the balance. Sold S. Thompson on acct. 30 boxes Bloom Raisins at $3. *Cash Sales* $179.60.

11—Bought of David Chesman & Co., London, on note at 3 mos. 16 bxs. Mould Candles, 58 lbs. each, at 11½c., 30 boxes Bloom Raisins at $3, 2 chests Y. H. Tea 96,7½; 110,12½ lbs., at 69c. Paid freight $12. Deposited in Merchant's Bank $1250. Sold W. Drewry on acct. 1 box Candles, 58 lbs., at 13½c. *Cash Sales* $172.

12—Received of Thos. Moore & Co., Toronto, to be sold on their acct. and risk, 100 bbls. Flour, invoiced at $6.50, paid freight on the same per check $15. Paid sundry items of expense $9.50. Received of W. Raymore on acct. $5. Paid John Laird $4. *Cash Sales* $79.

13—Received of John Smith cash in full for his note and interest, due this day. Received of R. D. Anglin on acct. $12. Paid A. Overell cash $3. Received of S. Thompson his note at 2 mos. in full of acct. *Cash Sales* $87.

14—Sold Conger Bros. for their note at 3 mos. 50 bbls. Flour, from Moore & Co.'s consignment at $8. S. G. Beatty draws on private account cash $40. Received from C. Hutchison an "Account Sales" of the mdse. shipped him the 9th inst. with net proceeds $1580.50, by sight draft on Bank of Toronto, there being no agency of which, in this place, it costs ¼ per cent for collection. *Cash Sales* $156.

15—Sold R. Morris & Co. on their acceptance at 30 days, the balance of Thos. Moore & Co.'s consignment at $8 per bbl. Paid sundry expenses per check $36. Having become dissatisfied with our clerk, Jno. Laird, we settle with him in full to date and discharge him. *Cash Sales* $196.

16—Received cash in full for W. Vicker's note due this day. Closed Thos. Moore & Co.'s consignment of the 12th inst., and rendered them an "Account Sales," charges posted $15, charges for storage, cooperage, &c., unposted $12.60, commission 3½ per cent on sales, Moore & Co.'s net proceeds remitted by draft on Montreal Bank. *Cash Sales* $196.

18—Deposited in Merchant's Bank $750. Bought of J. Carruthers & Co., Kingston, on our acceptance at 90 days, 1 hhd. sugar, 1146 lbs., tare 10 %, at 8½c., 100 boxes Soda Biscuit at $2.50, 50 boxes Wine do., at $2.75. Paid freight $14. Received cash for A. Hamilton's note with interest for time over due. Sold W. Raymore on acct. 60 lbs. cheese at 12½c., 1 box raisins $3.25. *Cash Sales* $219.60.

19—Sold John Templeton 40 doz. Brooms at $4, for which he paid by contra acct. against student $96, cash for balance. Received from R. Mason & Son, London, to be sold on their acct. and risk, 50 bbls. Sugar, invoiced at $20, paid freight $36. Remitted Jas. Gunner & Co. Bank Draft to balance acct., exchange ¼ per cent. Paid cash. *Cash Sales* $158.

20—Paid sundry expenses $5.50. Assumed the Sugar received from R. Mason & Son the 19th inst., at $25 per bbl., and shipped the same to Frank Smith & Co., Toronto, to be sold on our acc't and risk, paid for insurance on it $15 per check. *Cash Sales* $268.

21—Sold R. German, on acc't, 2 bbls. White Fish at $10, 1 bbl vinegar, 42 gals., at 47c. Closed R. Mason & Son's consignment and rendered an "Account Sales," our charges for storage, &c., 3c per bbl.; commission 3 per cent on sales, R. Mason & Son's net proceeds $——, remitted by note at 60 days. *Cash Sales* $216.

22—Bought of David Chesman & Co., London, on note at 3 months, 1 case Smyrna Figs, 165 boxes, 346 lbs., tare 73 lbs., at 14½c, 1 case Eleme Figs, 40 boxes, 126,37 lbs. at 12½c. Paid freight $16.50. *Cash Sales* $149.

23—Received advice from Frank Smith & Co., that they have re-shipped our consignment of the 20th instant to Ross & Davies, Belleville, having charged us $15 for receiving and re-shipping. Sold S. Edsall 16 lbs. Sugar at 12c, 1 box Mould Candles, 58 lbs., at 12½c. *Cash Sales* $140.

25—S. G. Beatty has taken, on private acc't, 20 gals. Syrup at 50c, 10 lbs. Raisins at 30c. Paid cash $4, for repairing counter in store. Student has taken, on private acct., 10 lbs. Figs at 12c, 3 lbs. Rice at 10c, 2 lbs. Prunes at 17c. *Cash Sales* $163.

26—Remitted Carr Chase & Raymond, Boston, a draft on First National Bank, payable in United States Currrency, in full for their invoice of the 1st inst., paid cash for draft and ¼ per cent. exchange; gold $1.15. Paid cash for our note of January 24th. *Cash Sales* $119.

27—Deposited in Bank $875. Paid Alex. Forin cash $5. *Cash Sales* $210.

28—Received of Ross & Davies, Belleville, an "Account Sales" of our shipment to them by Frank Smith & Co., with net proceeds, $1560, by draft on Montreal Bank, which we leave on deposit. *Cash Sales* $146.80.

NOTE.—As you have completed arrangements for admitting another partner into the firm, at the beginning of March, and changing from a Retail to a Wholesale business, it is necessary to make out a Balance Sheet, and carry the result of the Loss and Gain acc't to the accounts of the partners.

Close the Books, the same as at the end of January, and bring down the balances.

REMARKS ON THE THIRD MONTH'S BUSINESS.

A new and important feature in this month is the changing of the business, and the introduction of the Sales Book. The books used after the change of business, are the Journal, Cash Book, Invoice Book, Sales Book, Bill Book and Ledger. A form of the Sales Book, and explanations thereon will be found at the end of this month's business. The other books are kept the same as heretofore.

The method of using these books, as books of original entry, has many advantages over consecutive entries in the Day Book, and is adopted in the generality of business houses, where it is essential to divide labor, and avoid unnecessary writing. For instance, one clerk may keep the Invoice Book, another the Sales Book, another the Cash Book, and each of them may be so kept as to post directly from them to the Ledger, instead of passing the transactions through the Journal. The separate departments of a large business may thus receive such special record as will present the facts in their clearest light. Thus, if any particular information is desired respecting purchases, all the facts can be obtained at once from the Invoice Book; and, in the same manner, the facts and conditions of sales can be obtained from the Sales Book, the receipts and disbursements of cash from the Cash Book, etc.

The only objection to posting from special books directly to the Ledger, is the tendency to debit and credit the same account *twice*. In order to avoid confusion in this respect, and to make the Invoice and Sales books as plain as possible, journalize the entries from them; but post the cash transactions directly from the Cash Book to the Ledger.

SET XI.—THIRD MONTH'S BUSINESS.

March 1, 1874.

We have this day closed our Retail business and formed a partnership with P. V. Dorland for the purpose of conducting the Wholesale Grocery and Shipping business, renting from A. Diamond store No. 96 James street, at $800 per annum. Gains and Losses to be divided in proportion to capital invested.

P. V. Dorland invests Stock of Groceries as per Inventory, $19,500, Cash $6000, Store Fixtures $620. The firm assumes for him a note of $1000, favor of George Lewis, dated February 28th, at 3 months.

Engaged Thomas Way as Accountant, at $900 per year.

Received from W. Drewry cash in full of acct. Bought of Rimmer Gunn & Co., Montreal, on 4 months, 12 bags Rio Coffee, 136,12; 143,13½; 127,11½; 128,12; 142,14; 147,14½; 146,12; 139,11½; 138,12; 152,16½; 146,14½; 156,16½ lbs., at 32c, 10 chests Gunpowder Tea, 150,16; 148,14; 126.12½; 147,13¼; 142,16; 145,14½; 156,17½; 143.21; 134,14; 144,12½ lbs., at 60c. 15 casks Bordeaux Vinegar, 46 gals. each at 35c. Sold Smith & Cook, Brockville, on their note at 60 days, 4 bags Rio Coffee, 136,12; 127,11½; 128,12; 129,11½ lbs. at 40c, 5 bbls. Extra Flour at $7.50, 2 bbls. Mess Pork at $14.50.

2—Bought of J. H. R. Molson & Bros., Montreal, on 3 months, 100 bbls. Superfine Flour at $6.50, 10 boxes "Western Leaf" Tobacco, 115,10; 125,12½; 119,13; 117,11½; 116,12; 115,9½; 118,10; 120,12½; 116,14; 113,10¼ lbs. at 42c. Received of W. Ponton cash in full of acct. Sold J. Waltham & Co., Guelph, on acct., 20 bbls. Apples at $3, 10 bbls. Flour at $8*.

3—Received of R. D. Anglin his note at 3 months with interest at 7 per cent. in full of acct. to date. Bought of J. Morris & Co., on our acceptance at 90 days, 800 bbls. White Fish at $4.50, 50 bbls. Mackerel at $6, 1000 lbs. Dry Cod at $4.75 per cwt.

4—Shipped per G. T. R. and consigned to W. R. Ross & Co., Montreal, to be sold on joint acct. and risk, each equally interested, 400 bbls. White Fish at $5 per bbl. Paid cash for repairing Store Fixtures $75, sundry expenses $24.

5—Bought of John Cook, Belleville, on 3 months credit, 200 bbls. Trout at $5.75, 60 bbls. White Fish at $4.50. Paid freight $30. S. G. Beatty, with the consent of his partners, this day disposes of his entire interest in the business to W. B. Robinson for a certain consideration. Received from V. Hudson, Montreal, to be sold on joint acct. of shipper and ourselves, each ½, 600 bbls. Superior Extra Flour at $6.50, paid charges on same per check on Merchants' Bank, $49.50. Sold Massie & Peterson, on their note at 2 mos., 300 bbls. Superfine Flour from Mdse. Co. "A." at $7.80.

7—Sold S. Moore, James street, for his acceptance at 2 mos., 50 bbls. Trout at $6.50, 20 bbls. White Fish at $5.50, 3 bags Rio Coffee, 136,12; 152,16; 147,14½; 138,12; 156,16½ lbs., at 40c. W. B. Robinson withdraws on acct. cash $40.

8—Received cash in full for G. J. Sherry's note of January 25th, with interest to date. Sold J. Farmer, Macnab street, for sight draft on F. Stinson a bill of Mdse. amounting to $540.† Sold for cash the balance of Flour belonging to Mdse. Co. "A." at $7.90 per bbl.

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*Sales on acc't are intended to run 30 days unless otherwise specified.

†In transactions of this kind, where the articles sold are not stated you are required to supply them. See this entry in Sales Book

9—Deposited in Merchants' Bank $1200. Received from J. Wilson, Goderich, to be sold on joint acct. of shipper, George Moore and ourselves, each ⅓, 1000 bbls. Salt at $1.50, paid freight and sundry expenses on same per check $47.50. Sold R. Eastman, on acct., 500 bbls Salt from Mdse. Co. "B." at $2.20 per bbl.

10—Closed Mdse. Co. "A." and rendered consignor an Account Sales, our charges 3c per bbl., commision 2½ per cent. on sales. Bought of J. M. Hawley 1000 bush. Barley at $1.10, gave in payment draft at 30 days on R. Eastman for amount of his acct., cash for balance; paid freight $50. Sold N. Boulter for his note at 3 mos. the balance of salt belonging to Mdse. Co. "B." $2.15 per bbl.

11—Shipped to P. G. Close & Co., Toronto, to be sold on joint acct.. 150 boxes Bloom Raisins at $3; 125 boxes Layer Raisins at $2.40; 75 boxes Valentia Raisins at $3.25; paid freight on same $15.30. Received from W. R. Ross & Co. an Account Sales of our shipment to them on the 4th inst., our net proceeds $1060, received per note at 4 mos.

12—Closed Mdse. Co. "B." and rendered consignor and Geo. Moore each, an Account Sales, our charges 3½ cents per bbl., commission 2½ per cent on sales, remitted net proceeds to each per Bank draft, for which we gave check on Merchant's Bank.

14—Remitted J. Wilson our note at 3 mos. for our interest in Mdse. Co. received the 9th inst. Had Massie and Peterson's note of the 5th inst. discounted at Merchant's Bank at 7 per cent per annum. Received of R. Town, Kingston, to be sold on joint acct., each equally interested, 800 bbls. Apples at $3, paid charges on same $75.

15—Shipped John Cook, Belleville, to be sold on our acct. and risk 115 bbls. Trout at $6.25; 40 bbls. White Fish at $5; paid freight on same $18.75.

16—Had S. Moore's acceptance of the 7th inst. discounted at Merchants' Bank, at 7 per cent per annum. Sold T. Farmer for sight Draft on E. T. Hamley mdse. amounting to $1200.

17—Sold H. R. Mountain, London, on 30 days credit, 150 bbls. Extra Flour at $7.25, 200 bbls. Spring Flour at $7, 1000 bbls. Goderich Salt at $1.50, 1000 lbs. Dry Cod at $5 per cwt.

18—Received of Jno. Cook, Belleville, an Account Sales of our shipment to them on the 15th inst. our proceeds $525.50, which he has entered to our credit.

19—Paid sundry expenses $26. Remitted Rimmer Gunn & Co. Draft on Montreal Bank in full for their invoice of the 1st inst. less 2½ per cent discount; paid cash for draft, ¼ per cent exchange and necessary stamps.

21—Shipped J. Griffith & Co., Toronto, to be sold on joint acct. and risk of ourselves, consignees, and A. Brown each ⅓ 10 hhds. sugar, 11200 lbs. net, at 8¼c. Paid freight on same $44.50.

22—Had R. D. Anglin's note of the 3rd inst discounted at Merchant's Bank at 7 per cent per annum. Sold A. B. Jones, Toronto, for cash 10 bbls. White Fish at $5.50, 12 bbls. Spring Flour at $7.80, 4 hhds. Soft Yellow Sugar, 1420 lbs. net each, at 8¼c.

23—J. A. Mathewson & Co., Montreal, and ourselves have entered into an agreement to buy and sell merchandise on joint account, each firms interest in such speculations to be equal.

They now advance us cash $2000, to be invested in Goderich Salt under this agreement. *

24—Sold I. C. Chilman, on his note at 3 months, 120 bbls. Extra Super. Flour at $6.15, 50 bbls. Superior Extra at $6.45, 50 bbls. Spring Extra $5.70. Sold W. H. Graham, for cash, an invoice amounting to $730.

25—Received from John Cook his draft at 30 days on P. Miles for $1000. Received from H. R. Mountain sight draft on L. W. Yeomans for $100. Received from J. Waltham & Co. cash in full of acct.

26—Remitted J. H. R. Molson & Bro.'s draft on Montreal Bank for their invoice of the 2d inst., less 2½ per cent., paid cash for draft, ⅛ per cent exchange and necessary stamps. Paid sundry expenses $10.

27—Had N. Boulter's note of the 10th inst. discounted at Merchants' Bank at 8 per cent. per annum, and proceeds left to credit. Received cash in full for M. Lingham's note of January 24th.

29—Had our note at 3 mos discounted at Merchants' Bank at 7 per cent. per annum, net proceeds of which amounts to $1260.

30—Paid our note of Feb. 11th, favor D. Chesman & Co., less discount at 8 per cent. for unexpired time.

31— Paid one quarter's rent of store per check.
Sufficient Mdse. unsold to allow a profit of 30 per cent. on sales.

As this ends the transactions of the third month, and a partner is about to retire from the firm, you are required to make out a Trial Balance and Balance Sheet. As this set is supposed to end another year, close all the accounts in the Ledger and bring down the balances as heretofore. It will be necessary to take clerks' wages into consideration before rendering a statement, and as rent has been paid for two months in advance, it must be estimated in the Inventory.

SALES BOOK—SET XI.

This book contains all the regular sales, either for cash or on time; the cash sales being extended in the inner column, are not included in the amount for which merchandise is credited from the Sales Book. These sales, together with petty sales not entered in the Sales Book are posted from the Cash Book. This book is journalized similar to the Invoice Book, under the heading "Sundries To Merchandise."

* This amount has been placed in our hands for investment, we therefore treat it as a simple loan and credit J. A. Mathewson & Co. for it.

SALES BOOK—SET XI.

MONTREAL, March 1, 1874.

S.&C.	D.B.			
		Smith & Cook, Brockville, O.		
	✓	4 bags Rio Coffee,		
		lbs. tare.		
		136 — 12 over 263 — 23½		
		127 — 11½ 128 — 12		
		— — 129 — 11½		
		263 — 23½ — —		
		520 — 47 =473 lbs. at		
		40c ... $189.20		
		5 bbls. Extra Flour at $7.50 ... .. 37.50		
		2 " Mess Pork " 14.50 ... ... 29.00		
		Note at 60 days.		255 70
		2		
	✓	J. Waltham & Co., Guelph.		
		20 bbls. Apples at $3.00 ... ... $60.00		
		10 " Flour " 8.00 ... .. 80.00		
		30 days credit.		140 00
		7		
	✓	S. Moore, James street.		
		50 bbls. Trout at $6.50 .. .. $325.00		
		20 " White Fish at $5.50.. .. 110.00		
		5 bags Rio Coffee.		
		lbs. tare.		
		136 — 12 over 435 — 42½		
		152 — 16 138 — 12		
		147 — 14½ 156 — 16½		
		— — — — — —		
		435 — 42½ 729 — 71 =658 lbs. at		
		40c ... $263.20		
		Acceptance at 2 months.		698 20
		8		
	C. B.	J. Farmer, Macnab Street.		
		4 bbls. Strong Bakers' Flour at $6.50. $26.00		
		10 " Spring " " " 6.00. 60.00		
		20 " Extra " " " 7.00. 140.00		
		30 " Superior Extra " " 7.25. 217.50		
		10 " Salmon Trout " 8.00. 80.00		
		3 " White Fish " 5.00. 15.00		
		2 lbs. Y. H. Tea " 75. 1.50		
		Sight draft.	540	
		22		
	C. B.	A. B. Jones, Toronto.		
		10 bbls. White Fish at $5.50 .. $55.00		
		12 " Spring Flour" 7.80 .. 93.60		
		4 hhds. Soft Yellow Sugar, 5689 lbs.,		
		at 8¼c ... 482.80		
			631 40	
69		Sales on time, ...		1093 90
		Sales for cash and entered here from C. B.	1171 40	
		Petty sales entered in C. B...	450 00	1621 40
		Total sales for the month, ...		2715 30

NOTE.—The above Sales Book is merely given as a form, and not supposed to contain the entries in their order.

SET XI—FOURTH MONTH'S BUSINESS.

APRIL 1, 1874.

J. W. Dickey has this day retired from the business, selling his entire interest to the remaining partners at a discount of 10 per cent. from his net worth. Paid him ½ cash and balance in notes at 6, 9 and 12 months for equal amounts.

Bought of Rimmer Gunn & Co., on 30 days, 10 bags Java Coffee, 130, 131, 134, 138, 136, 129, 143, 148, 151, 148 lbs., tare 4 lbs. each, at 30c; 20 bags Jamaica Coffee, 131, 128, 143, 164, 151, 147, 128, 127, 118, 131, 137, 146, 129, 144, 118, 132, 147, 150, 141, 134 lbs., tare 5 lbs. each, at 29c; 16 bags Ceylon Coffee. 149, 143. 158, 147, 162, 138, 127, 119, 154, 176, 138, 131, 144, 127, 124, 152 lbs., tare 5 lbs. each, at 27c: 100 bbls. Crushed A Sugar, 225 lbs. gross, 25 lbs. tare each, at 10½c, 200 bbls. Dry Crushed Sugar, 218 lbs. gross, 21 lbs. tare each, at 11c; 115 bbls. Yellow Sugar, 222 lbs. gross, 22 lbs. tare each at 8c; 10 hhds. Porto Rico Sugar, 1107, 1141, 1113, 1121, 1127, 1116, 1099, 1142, 1130, 1117 lbs., tare 107 lbs. each, at 7½c. Paid freight on same $104.25.

2—Sold S. E. Shibley, for cash, 10 casks Bordeaux Vinegar, 50 gals. each, at 35c; 9 bbls. Golden Syrup. 43, 47, 46, 41, 45, 43, 49, 42, 40 gals., at 40c; 7 bbls. Standard Syrup, 37, 39, 42, 46, 44, 38, 31 gals., at 39½c; 5 bbls. Clayed Molasses, 34, 38, 36. 32, 39 gals. at 26c; 500 lbs. Dry Cod Fish at $5 per cwt.; 50 bbls. Bakers' Flour at $6.

4—Paid cash for sundry expenses $16.50, S. Edsall, on acct. $15.

Sold W. Ponton, on his acceptance at 30 days, 12 boxes P. of Wales, No 1, Tobacco, 120, 118, 117, 119, 114, 116, 117. 121, 120, 122, 119, 118 lbs gross, tare, 20 lbs. each, at 31c, 9 half chests Y. Hyson, "Chinaman" No 142—75, 73, 71, 70, 69, 74, 67, 71, 69 lbs. gross, tare 15 lbs. each, at 90c: 5 half chests Tea, "Congou," 68, 72, 74. 73, 71 lbs. gross, tare 15 lbs. each, at 60. Sold R. Gordon, for cash, a bill of $850.

5—Received from John Cook, Belleville, for sale on joint acct. and risk each ½, 1200 lbs. cheese at 11c. Paid charges on same $10.50. Had Conger Bros.' note, of Feb. 14, discounted at Merchants' Bank at 7% for unexpired time. Discount $—; cash received $—. Paid A. Overell, on acct. $14, A. Forin $10, S. Edsall $5.

6—Sold A. M. Foster, for cash, from Mdse. Co. "C.," 10 bbls. Apples at $4. From Mdse. Co. "D." 600 lbs. Cheese at 12½c. Paid sundry items of expense $15.50. Remitted A. Urquhart & Co. a draft on the Bank of Montreal for the amount of their invoice of the 1st instant, less 3 per cent. Paid cash for draft, ⅛ per cent exchange, and the necessary stamps.

7 - Had W. Ponton's acceptance of the 4th inst. discounted at Merchant's Bank at 7 per cent. for unexpired time. Discount $—; cash received $—. Sold W. Bristol, for cash, from Mdse. Co. "D." 400 lbs. cheese at 12½c. Paid Gass Bill $11.90.

8—Received from P. G. Close & Co., Toronto, an Account of Sales of the Raisins shipped them the 11th ult. Our net proceeds and payment for ½ invoice remitted by draft on Bank of Montreal, $1131.25.

9—Bought of Sinclair Jack & Co., Montreal, on 30 days, 11 half chests Colored Japan Tea, 69, 64, 71, 70, 65, 68, 72, 73, 77, 74, 71 lbs. gross. tare 15 lbs. each, at 60c; 21 half chests Gunpowder Tea, Nos. from 114 to 135—55. 68, 74, 71, 73. 72, 71, 69, 68, 67, 64, 69, 73, 72, 71, 70, 72, 73, 68, 66, 70 lbs. gross, tare 14 lbs. each at 66c. Paid freight on above $19,50. Sold for cash from Mdse. Co. "D.," 200 lbs. Cheese at 12½c.

11—Closed Mdse. Co. "D." and rendered John Cook an Account of Sales. Our charges for drayage $3, commission 3½ per cent. Sold A. Henry for cash a bill amounting to $1500.

12—Paid a drayman $5 for carting, from store, remainder of apples belonging to Mdse. Co. "C.," they having all decayed on account of exposure. Partner Robinson doubting the ability of W. W. Jones to pay his note, sells his interest in it to Student for ½ its value. Sold H. Armstrong, for cash, a bill of goods amounting to $2100. Deposited in Merchants' Bank $2000.

13—Had our stock of goods insured in Imperial Insurance Co. for $20000. at 2 per cent. Paid premium per check. Rendered R. Town, Kingston, a statement of the apples received on the 14th ult., for sale on joint acc't, and remitted the amount due him per check. Sold W. R. Barber, for cash, a bill of goods amounting to $2500.

14 Sold John Cook, Belleville, on his acceptance at 30 days, 14 bbls. Muscovado Molasses, 42, 43, 46, 49, 45, 47, 40, 42, 48, 43, 44, 40, 41, 49 gals. at 30c. Sold W. R. Muir, for cash, an invoice of Tea amounting to $2150.

15—Bought of A. Urquhart & Co., on our acceptance at 60 days, 80 casks Bordeaux Vinegar, 50 gals. each, at 30c, 50 do. Amber Syrup, 44 gals. each, at 69c, 100 casks Barbadoes Molasses, 45 gals. each, at 32c. Paid for sundry expenses $13.50.

16—Had John Cook's acceptance of the 14th inst. discounted at Merchants' Bank, at 7 per cent. for unexpired time, and net proceeds left to credit. Sold Charles Smith for cash a bill of $1500. Received from R. Thompson cash in full for his note of February 13th. Sold F. Dixon, for cash, an invoice of $2150.

18—Shipped per steamer Passport and consigned to W. Bannan & Co., Toronto, to be sold on joint account and risk, each ½, 400 bbls. "Extra Superfine" Flour at $6.50; 150 bbls. "Spring Extra" at $6. 250 bbls. "Strong Baker's" at $5.90. Paid insurance on same $30. Sold for cash a bill of $750.

19—Remitted Sinclair Jack & Co. a draft on Montreal Bank for the amount of their invoice of the 9th inst., less 3 per cent. discount. Paid cash for draft, ⅛ per cent exchange, and the necessary stamps.

Bought of Geo. Flower on our note at 3 months, 50 bbls. Salmon at $6.75. Sold C. W. Raney for cash an invoice amounting to $1850.

20—Called upon H. R. Mountain, London, to effect a settlement, found him unable to pay his indebtedness and compromised for 75c. in the dollar. accepted note against George Ritchie for $1200, dated Feb. 1, at 3 months. and cash for the balance.

21—Had Geo Ritchie's note, received 20th inst., discounted at Merchants' Bank, at 7 per cent for unexpired time, and net proceeds left to our credit.

22—Discounted our note of the 19th inst., favor of Geo. Flower, at 10 per cent for unexpired time. Discount off $—. Amount paid per check $—.

23—Sold W. R. Barber, for cash, an invoice amounting to $850. Deposited in Merchants' Bank $1000.

Bought of J. Wilson, Goderich, on our acceptance at 30 days, 300 bbls. Salt at $1.75, 200 bbls. Mess Pork at $16.

25—W. Bannan & Co. have this day returned the whole of the Flour shipped them on the 18th inst. Charges paid by them as per statement $30.

Sold John Cook, Belleville, on acct. 7 casks Bordeaux Vinigar 38, 36, 39, 42, 41, 43, 40 gals. at 33c.

27—Received from P. Miles, cash in full for his draft, of the 25th ult. Sold Geo. Wallbridge for cash, an invoice of Teas amounting to $1120. J. C. Chilman & Co. have failed, and are able to pay but 60c. in the dollar. Accordingly we have received from the Assignees 60 per cent of the note we held against them, in cash. Lost the balance.

28—Bought from John Templeton, for cash, 2000 bbls. Goderich Salt at $1.75, and shipped the same to J. A. Mathewson & Co., Montreal, for sale on joint acct. Paid insurance on same $79.50.

29—Through a disastrous fire last night, our stock of goods was entirely consumed. Nothing saved but the books and other papers kept in the safe. Mdse. on hand yesterday as per Stock Book. $36,200.

30—J. P. Thomas, agent for the Imperial Insurance Co., in which we were insured, has promptly adjusted the loss by giving us the Company's check for amount of insurance.

At a meeting of the partners it has been mutually agreed that the business shall be closed, the books balanced, a settlement effected, and the partnership dissolved.

In order to effect the above settlement, take a Trial Balance and statement showing the condition of the business. Collect all outstanding acc'ts, have all bills in possession of the firm discounted at the Bank and pay off all the liabilities.

FORM OF MONTHLY TRIAL BALANCE.

Fol	Accounts.	Dr. January.	Cr. January.	Dr. February.	Cr. February.	Dr. March.	Cr. March.
50	W. H. Marsh,	1428 50	6974 30	230		146	
51	S. W. Manner,	2130	8768 60	475		239	
52	Cash,	4760	1278	2460 46	1450	1268 40	1174 80
53	Merchandise,	9764	3548	1342 50	3296 48	2164 80	2436 90
54	Bills Receivable,	8240	6400	2460 25	1720 25		1240
54	Bills Payable,	1240	1560	574	465	175	
55	George Brown,	1850	840		248	246 50	
55	S. R. Smith,	200	100	268			158
56	L. B. Lent,	1200	1360	743 40	176		248 70
57	S. O. Hess,	1400	1760			175	
58	G. A. Arner,	1250	1050	349 36			230 60
58	Interest,	18	21 60	26	46 30	10	5 60
59	Expense,	180		38		47 60	
	JANUARY.	33660 50	33660 50				
60	R. W. Post,			10			
61	Commission,				156 30		20 40
62	Loss and Gain,				276 40	146 30	
63	F. Rimmer,				1142 24	946 28	234 60
	FEBRUARY.			8976 97	8976 97		
64	Peter Huff,					200	100
65	James Stanley,					596 40	
66	Robert Gordon,						511 68
	MARCH.					6361 28	6361 28

The above form of Trial Balance will require royal paper ruled with six debit and credit columns on each page. A Trial Balance should be taken every month, in order to detect an error as soon as possible after it occurs. We know many merchants who do not test the correctness of their Ledger until the end of the year, and then spend two or three weeks in trying to make out a Trial Balance from the whole year's business, whereas, if this plan had been adopted, mistakes would have been corrected at the end of each month, and only one month's business would have to be taken into consideration in making out the Trial Balance at the end of the year.

Before making out each month of this sheet, go over the Ledger, carefully adding up the month's business, inserting it in pencil in the margin of each account ; from these marginal figures the trial is filled up. Want of time is the greatest objection to this style of Trial Balance, but, if a proper estimate is made of the time usually required for correcting books at the end of the year, the advantage will be in favor of the monthly trial, which gives timely notice of he existence of error, and but a short space of business to examine in order to find it.

ADMINISTRATOR'S FORM.

An Administrator is a person appointed by the judge of the Surrogate Court to settle the affairs of an intestate—or a person dying without a will. His duties are specially described by the statutes, and pertain, first, to the liquidation of outstanding debts and collection of amounts due the estate. Next to the proper distribution of net assets among the heirs or their legal representatives. That the position is a responsible one may be inferred from the fact that he is liable to those for whom he acts, in the amount of property and assets which he has in trust, and is required by law to give bonds with responsible sureties for at least that sum. None should accept the responsibility without careful consideration.

So far as the accounts are concerned they do not differ much in principle from those of an agent or single proprietor, except that in intent and scope they refer to liquidation. It very often occurs, however, that in the discharge of his duties an administrator may increase the value of the property held, or circumstances may depreciate it. The account should be kept so as to show such gains or losses and their causes. Rich as one may die, unless his property is all in good shape, and his will and affairs, generally, clearly arranged, there is no certainty that his wife and children will derive much benefit from all that is left behind. Property sold through the probate courts generally brings only from one-half to two-thirds the price it would command if the late owner was alive and disposing of it himself.

This is due to the fact that, if there had been any irregularity in the legal proceedings connected with the sale, the heirs are very apt to rake the matter up, and try to recover the property. In addition to this injury to the property of deceased persons, come legal and court fees, referees' charges, advertising, and many other loop-holes which drain the estate. It is particularly unfortunate for heirs and legatees if the property left to them is covered by a mortgage. The man who loves his wife and children should endeavor to keep his affairs in such a state that, if he were suddenly called away by death, his property would be in such a well-arranged condition as to yield something like its real value.

SET XII.—ADMINISTRATOR'S FORM.

BELLEVILLE, October 1, 1874,

*——— this day having received letters of administration, enters upon the duties of Administrator for the Estate of John Smith, deceased, and is to pay off all just liabilities and necessary contingencies, and after converting surplus into cash and deducting commission, divide the remainder among the nine heirs in such proportion as the law provides.

The following is a list of such resources and liabilities as can, at this time, be ascertained:

RESOURCES.—Wm. Jones owes on acct. $60, Thomas Giberson $37.50, George H. Dean $78, N. W. Phillips $54, W. Sutherland $50, L. H. Bottoms $32, W. Graham $45, John S. Miller $75, A. L. Geen $28, W. A. Ostrom $52. Notes—William Lacy's for $250. dated January 1st, 1873, at 6 per cent. interest; W. H. Stinson's for $100, dated August 14, 1873, at 7 per cent.; A. Overell's for $28, dated September 1st, 1874, at 8 per cent. Interest due on above notes to date $—. Farm, as per valuation, $4,000, Farming Implements (as per Schedule A.) $400; Live Stock as per valuation (Schedule B.) $500; Furniture, as per valuation (Schedule C.) $250; Cash on hand $52; Deposite in Merchants' Bank $250; Deposit receipt, Montreal Bank, $1000, dated Jan. 1st, at 4 per cent. interest; Mortgage from Thos. Jones $400, dated March 1st, 1872, bearing 8 per cent. interest, payable half yearly; interest due on same from Sept. 1st, 1874, $—. 10 shares of Moira Cheese Factory Stock, par value $20 per share. Liabilities—L. W. Yeomans & Co., on acc't, $50, G. C. Holton & Co. $25, J. S. Meudell $28, John Lewis $18. Notes—Favor Robertson & Henry $50, dated July 1st, 1874; John Cook $35, dated August 1st, 1874.

3d—Deposited cash on hand, in Merchants' Bank; paid Lewis Roenigk, undertaker's bill per check $50; paid Probate and Lawyers' fees per check $25. Paid Mrs. J. Smith for house expenses per check $25.

5th—Sold Live Stock by auction for $600, less 1 per cent, auctioneer's fees, paid to A. Keys; paid for advertising Sale in the *Intelligencer* and *Ontario* $10; deposited in Bank $——.

7th—Collected the following accounts: Thomas Giberson $37.50, George H. Dean $78.

8th—Paid L. W. Yeomans & Co., in full of acc't, $50; J. S. Meudell, in full of acc't, $28 per check.

9th—Paid G. C. Holton & Co. in full of acc't per check.

10th—The following amounts due by the Estate were not enumerated in the original list: W. Johnson $15, J. H. Hambly $12.

12th—Received cash in full for the following accounts: W. Jones $60; N. W. Phillips $54, L. H. Bottoms $32, deposited amount in Bank.

13th—Mrs. John Smith assumes the furniture (as per Schedule C.) at valuation, $250.

14th—Transferred the 10 shares Moira Cheese Factory Stock to William, Adams at 5 per cent. premium, deposited amount received in Bank.

15th—Sold the farm to John Smith, jr., son of deceased, at valuation also sold him the Farming Implements (Schedule A.) for $400; received cash (deposited) $4000, balance on acc't. Paid Mrs. Smith for house expenses $25, on private acc't $20, per check.

* Student to use his own name.

16th—Received cash for the following notes and interest on same to date: W. Lacy's $250, W. H. Stinson's $100, deposited amount in Bank.

17th—Assigned to Mrs. John Smith, Thomas Jones' mortgage; interest accumulated on same to date. Received payment for the following accounts: W. Sutherland $50, W. Graham $45, A. L. Geen $28, deposited amount in Bank.

19th—A. Overell paid his note with interest to date $-——; received from J. S. Miller in full of acc't $75; deposited in Bank.

21st—Paid John Lewis and William Johnson in full of acc't per check.

22d—Paid note favor Robertson & Henry per check.

24th—Paid Thomas Smith on account, per check, $50; paid note favor John Cook, per check.

26th—Compromised with W. A. Ostrom for the amount of his indebtedness, he having produced a receipt of $20 on the account, from the late John Smith, I accept $32 in full settlement. Received cash for deposit receipt from Montreal Bank, with interest to date. Deposited amount in Merchants' Bank. Paid J. H. Hambly in full of acc't per check, $12. Appropriated for my services as administrator $150, per check.

To THE STUDENT.—You will now journalize and post the work, take off Trial Balance and Statements, which will show the undivided interest of the heirs in their representative account Smith's Estate. Having completed the work of converting resources into cash and paying off liabilities, you will now credit the heirs with their respective interests. The Widow will have $\frac{1}{3}$ the net proceeds of the Estate, and each of the other heirs $\frac{1}{8}$ of the remainder.

You may next make the necessary entry for closing the accounts, which will be to pay off all the heirs per check.

SET XIII.—MANUFACTURING BUSINESS.

Books used—Day Book, Cash Book, Bill Book, Time Book and Ledger.

The Day Book and Time Book to be used in this set are explained, and a form of each given immediately after the record of transactions. Use the form of Cash Book adopted on page 94.

BELLEVILLE, April 1, 1874.

*——— and A. M. Spafford have this day rented the Dominion Foundry, together with all its machinery, fixtures, etc., as shown per Schedules "A.," "B.," "C." and "D.," from A. R. Patterson at $2000 per year, for the purpose of carrying on business as defined in their Articles of Co-partnership of this date. Each partner is to be allowed interest at 8 per cent. on amount invested and charged at the same rate on sums withdrawn.

Student invests cash $8500, Note against James Brown for $2000, dated December 11th, 1873, at 4 months. A. M. Spafford invests cash $12,000, Note against Peter Williams for $1500, dated October 21st, 1873, at 6 mos. with interest at 8 per cent. Interest accrued on same $——. Accepted Draft on F. J. Dixon for $1000, dated March 24, 1874, at 30 days. Paid for a set of books $21.40.

2—Bought of A. R. Patterson his entire stock of manufactured implements, iron, etc., amounting, as per inventory, to $5500; 100 cords of wood at $5. Gave in payment our 3 notes at 6, 9 and 12 months, for $2000 each. Engaged Irwin Foster as Accountant at $800 per year, John Davis as foreman of the finishing shop at $2.75 per day, George Abrahams as foreman of the moulding shop at $2.50 per day, Alexander Winters, blacksmith, at $2.25 per day, Robert Jones, William West, Henry Darnley, Stephen Post, Warner Potts, Isaac Raming, George Everett, Samuel Lynn, Thomas Petre, Arch. Ewing and David Liddell at $1.50 each per day, A. M. Fraser, S. H. Hudson and P. M. Grass, at $1.25 per day, Wm. Stoneburg as engineer at $1.75 per day, and Thomas Roberts, James Long and W. H. Spring at $1.20 per day. Services to commence on Monday.

4—Made arrangements with W. A. Foster & Co. to supply machinery for a new mill, which they are about to erect; also with W. W. Jones & Co. and A. S. Page & Co., to supply and repair machinery as specified in the Articles of Agreement. Sold M. R. Coleman, for cash, 1 Double Crook Hurlburt Plough $15, 1 Scotch Canadian do. $12, 1 Ten-horse Power and Rods for same, $100, 1 Maple Leaf Cooking Stove and Trimmings $32. Robert Abrams, who is acting as agent for the sale of our implements, has this day received 7 Scotch Canadian Ploughs at $10, 4 Mohawk Valley Clipper do. at $9, 6 Double Crook Hurlburt do. at $12*.

5—Bought of Frothingham and Workman, Montreal, on acct.. Round Bar Iron, amounting as per invoice to $490. Paid freight on above $27.40.

Bought of W. & F. P. Currie & Co., Montreal, on acct., invoice of Pig Iron amounting to $850. Paid freight and cartage on same $35.70.

Foreman's report—Lost time, ½ day Winters, ¼ day Raming, ½ day Post, ½ day Darnley and ½ day Davis. Work to be charged, 5 hrs. Winters, 2 hrs. West, 7 hrs. Everett, drilling and dressing spiders for A. S. Page & Co., at $4 per day.†

6—Delivered per order of our agent, Robert Abrams, 2 Reynolds' Water Wheels at $68, 1 Selleck's do. $90, 2 Leffell's do. at $125.

Sold Wm. Cook, for note at 3 months, 1 Wood's Mowing Machine $75, Reaping attachment for same $25, 2 Steel Ploughs at $10. Paid sundry expenses $4.20. Student withdrew on acc't $150.

Foreman's report—Lost time, Isaac Raming, reported sick, Warner Potts ¼ day, and S Post ½ day. Extra work for W. A. Foster & Co., 6 hrs. Davis, 2 hrs. Liddell, and 2 hrs. Ewing, fitting and finishing Binding Rollers. 8 hrs , West, cutting off 7 inch Hammered Shaft.5 hrs. Lynn, and 4 hrs. Darnley, cutting bolts, at $4 per day.

7—Delivered to W. W. Jones & Co., 2 Steam Engines, 45 H. P., at $800, 1 Shingle Mill $100, 2 Feed Rollers with Gear and Shafts, 2 Binding Rollers and Shafts, 1 Spider for 5½ inch Shaft—weight, as per memorandum given them, 1680 lbs. at 8c, 15 pcs. Maple Scantling, 600 ft., at 3c. A. M. Spafford withdrew on acc't $100.

Had Wm. Cook's note of the 6th inst. discounted at Montreal Bank, at 7 per cent, and net proceeds left to credit.

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* As Mr. Abrams has taken these implements away from the shop, charge him with them the same as though he actually bought them, and give him credit for anything he may return.

† The hands who are not reported by the foreman, under lost time, are credited each evening in the Time Book, with a full day and all others with the time they have worked. Extra work, repairing machinery, &c. is charged to the parties for whom it is done with the men's time, at from $3 to $5 per day, according to the machinery used and the men required to perform the work. Observe this entry in the form of Journal.

Foreman's report—Lost time, Robert Jones ½ day, William West ¼ day, and Isaac Raming 1 day. Extra work for W. W. Jones & Co., 4 hrs Liddell and 7 hrs. Ewing, cutting off and dressing Hammered Shaft; 5 hrs. Petre and 3 hrs. Lynn, cutting off and fitting a 3-inch Shaft; 5 hrs. Everett and 2 hrs. Davis, on old Pulley, at $4 per day.

8—Bought of Frothingham & Workman, for cash, 12 sheets Boiler Plate, 6x3x¼, 2116 lbs. at 5c. Received from Robert Abrams cash on acc't, $200. Paid for painting and papering office $30. Foreman's report—Lost time, G. Everett, ¼ day, Isaac Raming absent, W. Potts ¾ day. Extra work for A. S. Page & Co., 6 hrs. Jones and 2 hrs. West, taking length of pipe, 1 day Darnley and 7 hrs. Post, on old shaft.

9—Received from W. W. Jones & Co. their note at 3 months for amount of machinery delivered to them 7th inst. Paid sundry expenses $10. Remitted Frothingham & Workman, draft on Montreal Bank for the amount of their invoice of 5th inst., less discount at 3 per cent. Paid cash for draft, ⅛ per cent. exchange and necessary stamps. A. M. Spafford withdrew on acc't $250.

Foreman's report—Lost time, A. Winters ¾ day, R. Jones ½ day, J. Raymond sick, W. West ¼ day. Extra work for A. S. Page & Co., 2 hrs. Winters, 5 hrs. Jones, 5 hrs. West, 1 day Darnley, 1 day Ewing, on Wooden Rollers, at $4 per day. Paid hands, cash in full for services, as per Time Book.

11—Had W. W. Jones & Co.'s note of the 9th inst. discounted at Montreal Bank at 7 per ct. per annum, and net proceeds left to credit. Shipped to Shannonville, per order of Robert Abrams, 3 Side Hill Ploughs at $9, 10 Double Crook Hurlburt do. at $12, 10 Scotch Canadian do. at $9.50, 12 Mohawk Valley Clipper do at $9. Foreman's report—Lost time, Robert Jones ¼ day, W. West ½ day. Extra work for W. A. Foster & Co., 2½ hrs. Potts, on Collars, 8 hrs. Raming, 3½ hrs. Everett, 4 hrs. Lynn, on Stave Machine, at $4 per day.

12—Delivered to W. A. Foster & Co. 1 Arch Door and Frame, 126 lbs., at 5c, 5 Arch Bolts, 22 lbs., at 5c. 5 pcs. Cast Pipe, 480 lbs. at 7c, 15 Marking Hammers at $1, 4 Roller Shafts (2½ inch), 376 lbs., at 7c, 4 Cast Rollers 1348 lbs. at 7c, 1 Hammered Shaft, 1322 lbs., at 13½c, 66 lbs. Washers at 7c. Sold W. R. Coleman, on acc't, 1 Cumming's Straw Cutter $25, 1 Circular Saw Carriage with head blocks, $400.

Foreman's report—Lost time, Winters ¾ day. Extra work for A. S. Page & Co., ¼ day, blacksmith and helper, at $5, 4 hrs. Darnley and 8 hrs. Post, on old boiler, at $4 per day.

13—Received from W. A. Foster & Co. their note at 3 months for amount of machinery delivered 12th inst., and had the same discounted at Montreal Bank at 7 per cent., and proceeds left to credit. Remitted W. & F. P. Currie & Co., draft on Montreal Bank in full for their invoice of the 5th inst. less 2½ per cent. discount. Paid for draft, ⅛ per cent. exchange and necessary stamps, per check. Foreman's report—Men all put in full time. Extra work for W. A. Foster & Co., 1 day Fraser, 8 hrs. Hudson, 7½ hrs. Grass, on Wooden Rollers, at $3 per day.

14—Delivered, per order of Robert Abrams, at Madoc, 14 Scotch Canadian Ploughs at $10, 10 Side Hill do. at $8, 4 Maple Leaf Cooking Stoves at $30. Bought of Frothingham & Workman, Montreal, on our acceptance as 10 days, invoice of iron amounting to $1200. Foreman's report—Lost time, Winters ½ day, Liddell ¼ day, Ewing ¼ day, and Petre ½ day. Extra work for W. W. Jones & Co., 5 hrs. blacksmith and helper, 7 hrs. Jones and 4 hrs. West, on connecting boilers, at $4 per day.

15—Received cash in full for James Brown's note of January the 11th. Received from Robert Abrams, on acc't, J. Johnson's note for $250, dated April 12th, at 3 months, with interest at 8 per cent. Sold W. R. Coleman, on acc t. 1 Iron Horse Power (for 2 horses) $30, 1 Band Wheel for same $5, 1 Steel Plough $12.

Having become dissatisfied with our blacksmith, A. Winters, we have paid him in full and discharged him. Foreman's report—Lost time, Liddell ½ day, Ewing ¼ day, Long ¼ day, and Spring ½ day. Extra work for A. S. Page & Co., 1 day Roberts, 6 hrs. Long, 4 hrs. Spring, on Wooden Rollers, at $3 per day.

16 - Received from A. S. Page & Co. their note at 3 months for the following machinery delivered to-day, 4 Saw Arbors, (2¼ in.,) with Pulleys and Collars, 354 lbs at 8c, 4 Bevel Wheels, (2¼ in.) Shafts and Pinions on same, 738 lbs., at 8c. 4 Pillar Blocks for 5½ in. Shaft and 4 do. for 7 in. Shaft, 2738 lbs., at 8c., 1 Hammered Shaft, 7 in., 1490 lbs. at 12½c.

Had J. Johnson's note of 12th inst. discounted at Montreal Bank, at 7 per cent., and proceeds left to Cr. Bought of Frothingham & Workman, Montreal, on acc't, invoice of Bar Iron, amounting to $1500; paid freight on same $53.20. Foreman's report—Lost time, Grass ½ day and Hudson ¼ day. Extra work for W. A. Foster & Co., 8 hrs. Jones, 5 hrs. West, 6 hrs. Darnley, and 7 hrs. Post, on connecting rods at $4 per day. Paid our hands in full. as per time Book.

18—Robert Abrams has returned 1 Reynold's Water Wheel $68, sent him 6th inst., and 5 Double Crook H. Ploughs at $12. Bought of W. & F. P. Currie & Co., Montreal, on account, invoice of Scotch Pig Iron amounting to $850; paid freight on same $57.60. Engaged Peter Huff, Blacksmith, at $2.00 per day, services to commence to-morrow. Foreman's report—Lost time, Lynn ½ day. Extra work for A. S Page & Co., 4 hrs. Post, 6 hrs. Everett, 2 hrs. West, and 1 hour Davis, on connecting rods, at $4 per day.

19—Received from W. W. Jones & Co. their note at 3 months for the following machinery delivered to-day: 2 Steam Boilers, 14x5 feet, at $1500, 2 Globe Check Valves (1½ in.) at $5, 4 Globe Check Valves at $3.30, 2 Butting Chains, 240 lbs., at 12c, 2 Saw Dust Grates, 174 lbs., at 8c. Received from Robert Abrams cash, on acc't, $100. Foreman's report—Lost time, Jones ¼ day. Extra work for A. S. Page & Co., 8 hrs. Liddell, 1 day Ewing, 1 day Petre, 5 hrs. Davis, on connecting rods, at $3.50 per day. 4 hrs. Darnley, 8 hrs. Post and 5 hrs. Blacksmith and Helper, on pumps and connections, at $4 per day.

20 Had A. S. Page & Co.'s note of the 16th inst. discounted at Montreal Bank, at 7 per cent. Discount $——; cash received $——. Shipped per order of R. Abrams 4 Reynold's Water Wheels at $75. 6 Selleck's do. at $100, 1 Excelsior Horse Power $80. Foreman's report--Lost time, D. Liddell and A. Ewing 1 day, T. Petre ¼ day. Extra work for W. A. Foster & Co., 4 hrs. Davis, 7 hrs. Jones, 1 day West, and 1 day Darnley, on connecting rods and keys for same, at $4 per day.

21—Had W. W. Jones & Co.'s note of the 19th inst. discounted at Montreal Bank, at 7 per cent. Discount $——; cash received $——. Remitted W. & F. P. Currie & Co., Montreal, bank draft for amount of their invoice, of 18th inst., less 2½ per cent discount. Paid cash for draft ⅛ per cent. exchange and necessary stamps. Foreman's report--Lost time, D. Liddell, and A. Ewing absent all day. Extra work for W. A. Foster & Co., 1 day blacksmith and helper, $5, 7 hrs. Post, 4 hrs. Jones, 6 hrs. Petre, on connecting rods, at $4 per day.

22—Paid D. Liddell and A. Ewing in full for services to date and discharged them. Received from R. Abrams, on acc't, W. T. Heaslip's note at 3 months for $500. Paid John Davis, foreman, $10, on acc't.* Sold Gilmore & Co., for cash, 2 Steam Engines, "14x16," with heaters and set gear, $1800, 2 Steam Boilers, 14x5 ft. at $1550, less 2 per cent. from the total amount. Foreman's report—Lost time, Robert Jones reported sick. Extra work for W. W. Jones & Co., 4 hrs. Petre, 6 hrs. Grass, 1 day Hudson, 7 hrs. Fraser, dressing and fitting Wooden Rollers, at $3.50 per day.

23—Engaged Robert Way, S. Boyle and H. Cover. at $1.50 per day, services to commence on Monday, the 25th inst. Had H. T. Heaslip's note of the 22d inst. discounted at Montreal Bank at 7 per cent., and proceeds left to credit. Foreman's report—Lost time, Robt Jones absent. Extra work for A. S. Page & Co., 8 hrs. Potts, 4 hrs. Everett, cutting Bolts; 1 day Lynn, 7 hrs. West, bushing old pulleys, at $4 per day. Paid hands in full for services.

25—Received from Peter Williams, cash for his note of Nov. 21st. and interest thereon. Remitted Frothingham & Workman, Montreal, a bank draft for the amount of their invoice of the 16th inst., less 2½ per cent. Paid cash for draft, ¼ per cent. exchange and necessary stamps. Delivered, per order of R. Abrams, 12 Scotch Canadian Ploughs, at $10, 8 Double Crook Hurlburt do. at $12, 4 Side Hill do. at $8.50, 2 Reynold's Water Wheels at $75. Foreman's report - Lost time, Petre ¼ day, Lynn ½ day. Extra work for W. A. Foster & Co., 4 hrs. blacksmith and helper, making keys for connecting rods, at $5 per day. Stoneburg, Davis, Post and Lynn worked over time ¼ day.

26—We are necessitated to suspend operations in consequence of putting in a new boiler, the old one being considered unsafe. The hands required to assist in making the change are Davis, Jones, West, Post, Potts, Lynn, and Huff, the others are not required until we commence operations again.

29 - We allow A. R. Patterson $600 for the old Boiler, and charge him $1,800 for the new, connections therefor and labor in making the change. Difference to be applied on rent. Received from R. Abrams cash on account. $200. Foreman's report—Lost time, Lynn ½ day. Extra work for W. W. Jones & Co., 1 day, Roberts, 7 hrs. Long, 8 hrs., Spring, cogging wheels, at $3 per day. Stoneburgh, Davis, Huff, Spring, Long and Post have each worked over time ¼ day. Received from F. J. Dixon, cash in full for his note of March 24th. Paid our acceptance of the 10th inst., favor of Frothingham and Workman per check.

30—R. Abram's has returned 4 Double Crook H. Ploughs at $12, 3 Scotch Canadian, do. at $10, 1 Side Hill, do. $8.50. Sold Robert West, for cash, 2 Steam Engines, (35 H. P.) at $750, 2 Steam Boilers, (50 H. P.) at $1000. Foreman's report—Lost time, Huff ½ day. Extra work for A. S. Page & Co., 1 day, Post, 5 hrs. Huff, fixing pumps, at $4 per day. The following hands have each put in ¼ day extra time: Davis, Jones, Everett, Petre and West.

Sufficient merchandise, machinery and agricultural implements to allow a profit of 40 % on sales.

Pay the hands in full to date, take off a Trial Balance and Balance Sheet and close the accounts.

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* When hands receive anything on account, during the week, deduct the amount from their wages on pay day.

REMARKS ON SET XIII.

The materials from which the transactions of this Set are constructed, were obtained from an extensive foundry and machine shop, and the routine has the merit of being practical. The forms of the books, and arrangment of the various records, are submitted as being very simple and in general use throughout the country.

The form of Day Book adopted is similar to that of Set XII, all *credit* sales of merchandise being extended into the outside column and forwarded from page to page until the end of the month, when the total amount is posted to the credit of mdse. acct. When work is charged by the day it is extended and posted to the credit of merchandise the same as though it were the sale of a manufactured article. This plan is adopted in the majority of machine shops because the labor of hands is continually engaged on implements or machinery of some kind which, when sold, will go to the credit of merchandise account, and it would be very troublesome to keep the cost of material and work separate from one another.

In manufactories where the hands are not paid weekly and are allowed to draw on their wages accordingly, there is no way of keeping a running account with each of the hands with less trouble and greater accuracy than by adopting the plan of keeping a small Ledger exclusively for the accounts of the hands employed, called the "Hands' Ledger." The adoption of this plan saves the opening of so many accounts in the General Ledger, keeps the accounts of hands together and separated from all other accounts, and avoids trouble and detention at the time of making out a Trial Balance or balancing the General Ledger. A column should also be kept on the credit side of the Cash Book for amounts paid hands, and when money is paid to one of the hands it should be placed in this column and immediately posted to the debit of his account in the Hands' Ledger. When a "Hands" column is kept in the Cash Book it is footed and forwarded to the end of the month and then posted in total to the debit of Hands' acct. In cases where the Hands' Ledger is adopted, it is necessary to keep a "Hands' Account" in the General Ledger and credit it from the Time Book, at the end of each week or month as the case may be, with the following entry: "Wages acct. Dr. to Hands acct." This plan keeps the two Ledgers entirely distinct

from each other, the one account in the General Ledger containing the result of all the accounts in the other Ledger, and showing at any time the amount owing to hands. When the hands are all paid off and the Hands Ledger balanced, this account must balance also.

Want of space prevents us from recording more than a few of the first transactions in the following

FORM OF DAY BOOK.—SET XIII.

BELLEVILLE, April 1st, 1874.

	Sundries Dr. To Student		10500		
	For following investment.				
	Cash as per C. B	$8500 00			
	Bills Rec., J. Brown's note, B. B	2000 00			
	"				
	Sundries Dr. To A. M. Spafford		14554		
	For investment as follows:				
	Cash as per C. B	$12000 00			
	Bills Rec., note against Williams, and draft on Dixon, as per B. B	2500 00			
	Interest accrued on above note	54 00			
	2				
	Merchandise	5500 00			
	Fuel	500 00			
	To Bills Payable		6000		
	Bo't of A. R. Patterson, implements, iron, &c., as per invoice and 100 cords of wood at $5, for which we gave 3 notes at 6, 9 & 12 months, for equal amounts.				
	4				
	Robert Abrahams,				
	To 7 Scotch Canadian Ploughs, at $10 00		70		
	" 4 Mohawk Valley " 9 00		36		
	" 6 Double Crook H. " 12 00		72		178
	5				
	Merchandise	$490 00			
	To Frothingham & Workman		490		
	Bo't of them on acc't as per invoice, of this date.				
	"				
	Merchandise	$850 00			
	To W. & F. P. Curry & Co		850		
	Bo't of them as per invoice, of this date.				
	"				
	A. S. Page & Co.*				
	To 5 hrs. Winters		2		
	" 2 " West			80	
	" 7 " Everett		2	80	5 60
	Drilling and dressing Spiders.				
	Mdse. Cr. By Sundries				183 60

*A. S. Page & Co. are charged for this work at the rate of $4 per day, (10 hours work) which is considerable more than we pay the same men, but it must be remembered that we furnish the machinery, tools, and other necessaries and are under heavy expense aside from men's wages.

TIME AND WAGES REGISTER OF THE DOMINION FOUNDRY, FOR THE WEEK ENDING SATURDAY, APRIL 9, 1874.

NO.	NAME.	M.	T.	W.	T.	F.	S.	TOTAL	RATE PR DAY	AMT.	REMARKS.
1	John Davis.	1	½	1	1	1	1	5½	2 75	15 12	Foreman.
2	G. Abrahams,	1	1	1	1	1	1	6	2 50	15	Steady.
3	A. Winters,	1	½	1	1	1	¼	4¾	1 50	7 12	Unsteady.
4	Robt. Jones,	1	1	1	½	1	½	5	1 50	7 50	Slow.
5	Wm West,	1	1	1	¾	1	¾	5½	1 50	8 25	Good hand.
6	H. Darnley,	1	½	1	1	1	1	5½	1 50	8 25	Slow.
7	S Post,	1	½	½	1	1	1	5	1 50	7 50	Good hand.
8	Warner Potts,	1	1	¾	1	¼	1	5	1 50	7 50	"
9	Isaac Raming,	1	¾	—	—	—		1¾	1 50	2 62	Sick 4 days.
10	Geo. Everett,	1	1	1	1	¾	1	5¾	1 50	8 62	Slow.
11	Samuel Lyan,	1	1	1	1	1	1	6	1 50	9 00	Steady.
	Entered Cash Book.									96 48	

When men are paid every week, the above form will enable the accountant to keep a correct record of each man's time. In cases where men work extra time it may be entered in the same column immediately over the day's work, and all extended in the Total column at the end of the week, or it may be recorded in a column headed "Extra Time." If the men are paid every two weeks, twelve-day columns are necessary. In business the above $96.48 is brought forward into the head of the "Amount" column upon the next page and so continued from page to page until the whole list of workmen is complete. On pay-day the whole list is extended as above. The men assembled, the Pay Clerk calls the names in their order upon the register, hands each the amount due him, and checks it upon the left of the money column, thus ✓. The total amount is entered in the Cash Book and charged to Wages acct.

By having a large book one space for names will serve for four weeks; the ruling for the third and forth week to extend upon the opposite page.

In case the men are not paid in full, extra columns headed "Paid" and "Due," should be kept, and wages standing over should be entered in the "Due" column and added to their earnings on the next register.

The few names entered in the above form is sufficient to show how this book should be kept.

WEEKLY TIME AND WAGES REGISTER.

The following form is designed for paying men by the piece in weekly payments, and will answer to keep an account of work either done in the manufactory or by parties at their own shops. By adopting the following plan one page answers for two weeks, and if opposite pages are taken they will answer for four weeks, and thus save the necessity of writing the names so frequently.

TIME AND WAGES REGISTER OF THE DOMINION BOOT AND SHOE MANUFACTORY.

Name,	June 1, 1874.						June 8, 1874.					
	Quantity.			Rate	Am't.		Quantity.			Rate	Am't	
Jas. Amos	5	prs.	Boots.	2	10							
Jno. Bates	4	"	"	1 75	7							
R. Corn	5	"	"	1 75	8	75						
L Date	3	"	"	2	6							
H. Evans	4	"	"	2	8							
L. Favor	6	"	Shoes	1 15	6	90						
R. Goven	5	"	"	1 75	8	75						
S. Hand	3	"	Boots	2	6							
T. Irvin	2	"	"	2	4							
P. Jones	6	"	Slippers	60	3	90						
J. Words	5	"	Boots	2 15	10	75						
Forwrad*					79	75						

*The footing of each page may be forwarded until the whole list of workmen are paid off and then carried to the Cash Book in total.

S. G. BEATTY & CO.'S

PAY ROLL FOR THE BAY OF QUINTE MILL FOR THE MONTH ENDING JULY 31ST, 1874.

We, the undersigned, do hereby severally acknowledge the receipt from Messrs. S. G. Beatty & Co. of the sums opposite our respective names in full payment for work done in the above Mill to the above date:

No	NAMES	OCCUPATION	WAGES rate pr MONTH	DAYS	AM'T	DEDUCTIONS ITEMS.	AM'T	NET AM'T	SIGNATURES.
			$ c		$ c	$ $ $	$ c	$ c	
1	Jno Armer	Ml Wr'ht	78.	25	75 50	10.3.5.50	18 50	56 50	John Armer
2	Jas. Avert	Foreman	65.	25	62	8.2.4.50	14 50	48	James Avert
3	J W Archer	B'smith	52.	25	50	10. 4.	14	36	J.W. Archer
4	S. W. Bull	Filer	52.	25	50	10.	10	40	S. W. Bull
5	F. H. Burk	Gang	39.	24	36	10.	10	26	F. H. Burk
6	S.R. Bones	Gang	39.	24	36 50	10.	10	26	S. R. Bones
7	T. Camp	Gang	39.	23	34 50			34 50	Thos. Camp
8	H. L. Cross	Gang	39.	25	37 50	4. 3. 5.	12	25 50	H. L. Cross
9	P.T. Chime	Gang	39.	25	37 50	6. 2. 2.	10	27 50	P. T. Chime
10	L.H. Davis	Circular	39.	25	37 50	5. 8. 7.	20	17 50	L. H. Davis
11	T. R. Day	Setting	32.50	24	30	10.	10	20	T. R. Day
12	H.M. Dews	Circular	32.50	23	28 75	10.	10	18 75	H. M. Dews
13	R.T. Evens	Edger	32.50	25	31 25	10.	10	21 25	R. T. Evens
14	S.W. Forks	Tailing	32.50	25	31 25	10.	10	21 25	S. W. Forks
15	A. B. Fife	Sorting	32.50	20	25	15.	15	10	A. B. Fife
16	C. Gover	Sorting	32.50	25	31 25	4. 1. 5.	10	21 25	Chas. Gover
17	D. L. Ham	Engineer	52.00	25	50	3. 7.	10	40	D. L. Ham
18	H. S. Horn	Fireman	32.50	25	31 25	10.	10	21 25	H. S. Horn
19	Jas. Irvin	Piling	32.50	20	25	10.	10	15	Jas. Irvin
20	Jas. Jakes	Piling	32.50	21	26 25			26 25	Jas. Jakes
21	S. N. Long	Piling	32.50	24	30			30	S. N. Long
22	HP Marvin	Piling	32.50	24	30	10.	10	20	H.P. Marvin
23	W.B. Moon	On boom	26.00	25	25			25	W. B. Moon
24	C. North	On boom	26.00	25	25	4. 2. 4.	10	15	C North x his mark.
25	David Port	Tea'ster	32.50	20	25	5.	5	20	D Port
26	G.H. Rover	Yard	26.00	21	21	10.	10	11	G. H. Rover
27	Jno Sokes	Yard	26.00	23	23	10.	10	13	Jno. Sokes
28	J. Wright	Yard	26.00	23	23	10.	10	13	Jas. Wright
					968 50		269	699 50	

NOTE. The above form of Pay Roll is very convenient, when hands are paid by the month, and extensively used by mill owners. The foreman keeps a Time Book at the mill and at the end of the month makes out a Time List which is sent in to the head office and from which the above Pay Roll is made out. The Time List made out by the foreman is merely a list of the men's names, rate per month, and the number of days they have worked.

CHEESE FACTORY MILK BOOK,—NAMES OF PATRONS.

Number of Cheese made daily	Month of May, 1874	Nelson Boulter.	James Coulson.	D. J. Osterhout.	N. Gaffield.	Jno. Haslett.	Irvin Foster.	Geo. G. Kerr.	T. Durham.	C. McLaurin.	W. Badgley.
		178	436	382	562	439	653	359	647	726	841
10	1	196	450	390	579	446	648	366	659	734	879
		185	443	367	583	453	672	361	652	752	864
12	2	197	456	396	576	450	681	367	648	761	847
		172	452	384	564	462	674	362	636	738	875
11	3	180	450	390	573	453	658	360	653	749	861
		186	463	397	578	461	676	364	649	758	872
9	4	191	461	392	581	455	682	372	681	746	886
		193	470	379	546	439	647	367	656	731	873
13	5	198	466	391	554	448	659	376	663	752	889
		196	462	369	567	456	674	371	652	749	857
11	6	202	471	376	578	459	681	368	641	763	868
		2274	5480	4613	6841	5421	8009	4393	7837	8959	10290
66	7	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
		196	446	390	567	452	659	368	641	721	856
14	8	204	452	387	573	438	668	357	658	732	862
		189	439	389	564	426	687	349	669	719	847
12	9	197	447	396	579	431	674	366	686	743	863
		190	453	378	556	453	659	372	649	726	861
10	10	210	461	389	571	426	666	348	672	735	852
		198	449	392	582	445	672	369	693	751	867
13	11	204	458	382	574	432	658	384	668	742	853
		201	462	386	569	451	683	391	659	738	866
12	12	206	456	39	586	426	647	376	667	751	854
		197	438	392	562	438	654	369	672	731	847
11	13	206	452	387	579	419	676	387	681	745	862
		2298	5413	4662	6864	5237	8003	4436	8015	8834	10290
72	14	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

The above is the form generally adopted by cheesemakers for keeping a daily and weekly record of the amount of milk received from patrons. We have seen no less than eight different forms in use, each having particular merits ; the above recommends itself on

account of its simplicity. The amounts between the double ruled lines represent the total number of pounds of milk received daily from the patron under whose name they appear. In the upper space the amount received in the morning is entered, and in the lower, that received in the evening. At the end of each week the amounts are added together, and the totals carried to their respective accounts in the regular book kept for that purpose, placing a check mark beneath each sum as in the above when transferred.

We have only given a few of the patrons names, and continued the entries for two weeks, as the form is so simple that it can be readily understood. The other books of account in connection with the business of a cheese factory do not differ from ordinary books.

RULES FOR DETECTING ERRORS IN TRIAL BALANCES.

The first rule of the book-keeper should be *to make no error*, but as all are fallible a few suggestions may not come amiss.

1st. If the error is found to be in one figure only it is probably an error of footing or copying.

2d. If it involves several figures it may have arisen from the omission of an entire entry, or the entering of the same twice.

3d If it be divisible by 2, without a remainder, it may have arisen by posting an item to the wrong side of the account, in which case the item would be half of the apparent error.

4th. If the error be divisible by 9, without a remainder, it may have arisen from transposition, three cases of which may be easily detected by rules founded upon the peculiar property of the number 9. They are—

First. When two figures are made to exchange places with each other, the orders in notation remaining the same : *i. e.*, 372 made to read 327, or 732, or 273.

Second. When two or more figures are made to change their places in notation, their arrangement in respect to each other remaining the same : *i. e.*, $4275 made to read $42750, or $42.75, or $427.50.

Third. When *two* significant figures are made to change position both with respect to themselves and also the orders of notation : *i. e.*, $14 made to read $0.41.

To detect the first and second cases of transposition *divide the amount of the error in the trial balance successively by* 9, 99, 999, 9999, &c., *so far as possible without a remainder, rejecting all ciphers at the right of the last significant figure in the error.*

The quotients that contain but one digit figure will express the difference between the two digit figures transposed, which will be adjacent to each

If a bill or note is dated forward, of a day not arrived, and any of the parties die before that day, such deaths will be no bar to the remedy of a *bona fide* holder.

It is no objection to a bill or note that it is dated on Sunday, for it does not follow that it was made on that day. A bill drawn on Sunday, founded upon a contract made on that day, in the ordinary calling of the person making it, is void in the hands of a person who, with knowledge of the circumstance, took it from the person to whom it was given ; but it holds good in the hands of an innocent indorsee for value.

Every bill or note must be signed by the person making it, or some one authorized by him for that purpose.

It is not essential to the validity of a bill that it be negotiable, or that it contain the words "value received," although in many cases it is highly important that these words be inserted.

A bill or note may be issued with a blank for the payees name, and any *bona fide* holder may insert his own name as payee. But, until the blank is filled up, it is not a bill or note.

A memorandum on a bill or note made before it is issued, may, in some instances, be considered as part of the bill or note, and control its operation. As a memorandum, that if any dispute shall arise respecting the consideration, the bill or note shall be void.

PARTIES TO A BILL OR NOTE.

A bill or note cannot properly be made or indorsed by, nor can a *bill* be properly addressed to any person incapable of making himself responsible for the payment, nor can it be properly made payable or indorsed to any person incapable of suing.

Therefore, a bill or note cannot properly be made or indorsed by, nor can a bill be properly addressed to an infant; except perhaps where it is drawn, indorsed, or accepted for necessaries.

As an infant is capable of suing, he may be a payee or indorsee. But it may be questionable, in some cases, whether payment should not be made to his guardian.

Bills or notes cannot properly be made, indorsed or accepted by a married woman, unless where she acts by authority from her husband ; or where she resides here and he is under a civil incapacity of being in this country.

Where a bill or note is given to a single woman, and she marries, the property vests in her husband, and he alone can indorse it ; and husband and wife must join in the action upon it. If a note be made to a woman *after marriage*, the interest vests in the husband. If a single woman, being a party liable on a note, marries, her husband becomes responsible, and they should be sued jointly. If (the debt being still unsatisfied) he dies, she is liable and not his executors ; if she dies, her representatives are liable if there be assets, but not her husband.

The contracts of a lunatic, an idiot, or other person *non compus mentis* from age or personal infirmity, are utterly void.

A note obtained by fraud or from a person in a state of *total* drunkenness, cannot be collected by a party who knew the circumstances when he took it.

If persons who fill official situations, as churchwardens, overseers, surveyors, commissioners, managers of joint stock companies, and the like, give bills or notes on which they describe themselves in their official capacity, they are nevertheless personally liable.

JOINT NOTES.

A note by two or more makers may be either joint, or joint and several, according to its form. The makers of a joint note should be sued jointly ; for if sued separately the action may be defeated by a plea in abatement of the non-joinder of the other maker or makers. If one of the parties to a joint note be insolvent, or out of the country when the note falls due, it may be collected from the other. The makers of a joint and several note may be sued upon it, either jointly or separately ; and if sued separately, a recovery of judgment (without satisfaction) against one will not be a bar to a recovery against another maker.

A note signed by more than one person, and beginning, "We promise," &c., is a joint note only. A joint and several note usually expresses that the makers jointly and severally promise. But a note signed by more than one person and beginning, "I promise," &c., is several as well as joint. So a note beginning in the singular, "I promise," &c., and signed by one partner for his co-partners, is the joint note of all and has been held to be also the several note of the signing party.

A joint and several note, though on one piece of paper, comprises, in reality and in legal effect, several notes. Thus if A. B. and C. join in making a joint and several note, there are, in effect, four notes. There is the joint note of the three makers, and also the several note of each.

OF THE ALTERATION OF BILLS OR NOTES.

If a bill or note be altered in a material part (though by consent of all parties), after it has once been issued, it requires a new stamp; unless such alteration were to correct a mistake, and merely to make the bill what it was originally intended to have been.

Correcting the date, or the mode of its negotiability, to make it what it was intended, will not affect a bill or note.

An alteration of a bill or note in a material part, not only makes a new stamp necessary, but vacates the bill or note, except as between the parties consenting to such alteration.

Inserting a mere memorandum to say where the bill or note is to be payable, if it give a right direction in that respect, or correcting the address or style of the drawee, so as to make it accord with the acceptance, will not affect a bill. But altering an acceptance so as to give an unwarranted place for payment, vacates the acceptance.

Altering the place where a bill or note is payable, if for a fraudulent purpose, may be punishable as a forgery.

Cutting off from a joint and several note the name of one of the parties who has executed it, will vacate the note.

If a bill or note appear upon the face of it to have been altered, it is for the holder to prove that it was altered under circumstances which make it still available. The payment of interest upon it by the party, will suffice for this purpose.

OF THE OBLIGATIONS OF PARTIES.

The drawer's undertaking in a Bill of Exchange is, that the drawee upon due presentment to him, shall accept such bill, and pay the same when due; and that if the drawee do not accept it, or pay it when due, he will pay the amount of the bill, together with certain damages allowed by law; provided he is duly notified of such non-payment.

It is the payee's duty, if the bill remain in his possession, to present it to the drawee for acceptance and for payment at the proper

time and place; and in case the drawee refuse to accept or pay, to give notice without delay, to the drawer, of such refusal.

The acceptor undertakes, and is bound to pay the bill, according to the tenor of the acceptance, when it becomes due, and upon due presentment thereof. In short, all those who have signed, accepted, or indorsed a bill of exchange, are jointly and severally liable upon it to the holder. The acceptor is considered, in all cases, as the party primarily liable on the bill. He is to be treated as the principal debtor to the holder, and the other parties as sureties liable on his default.

The acceptor of a bill stands for most purposes, in the same situation as the maker of a note, and the maker of a bill in the situation of the indorser of a note.

The acceptor's liability can only be discharged by payment, or other satisfaction, by release, or by waiver.

INDORSEMENT.

A person who writes his name upon a Bill or note otherwise than as a maker or acceptor, and delivers it with his name thereon, to another person is called an indorser, and his act is called an indorsement.

Indorsements are of two sorts: *blank*, and *full* or *special* indorsements.

Special indorsements are modified in different ways as shown in the following

FORMS OF INDORSEMENT.

1.—Indorsement in blank.

John A. Fraser.

2.—Indorsement in full.

Pay to John A. Fraser or order.
S. G. Baker.

3.—Qualified indorsement.

Without recourse to me.
S. G. Baker.

4.—Restrictive indorsement.

Pay to John Smith only.
S. G. Baker.

Or the following might be used:

Pay to John Smith or order for my use.

Pay to John Smith for my account.

5.—Guarantee on a note.

For value received I hereby guarantee the payment of the within note.
S. G. Baker.

No particular form of words is essential to any indorsement. A *blank indorsement* is made by the mere signature of the indorser on

the back of the bill as above; its effect is to make the instrument thereafter payable to bearer, and it places the indorser in the position of surety for the maker.

When several persons separately indorse a bill, in blank, and it is dishonored by the drawer, the payee or holder has a right of action against all the indorsers, or he may sue and recover the amount from any one of them.

The maker of a note is the principal debtor, and all the indorsers are sureties for him, liable on his default. But though all the indorsers are, *in respect of the maker*, sureties, they are not, as *between themselves* merely co-sureties, but each prior party is a principal in respect of each subsequent party. For example, suppose a note to be indorsed by the payee and two subsequent indorsers. As between the holder and maker, the maker is the principal debtor, and the indorsers are his sureties. But as between the indorsers, the first indorser is the principal debtor, and the subsequent indorsers are his sureties. A discharge, therefore, to the prior parties, is a discharge to the subsequent parties, but a discharge to the subsequent parties is not a discharge to the prior parties.

In case of an indorsement where parties become co-sureties, an indorser who pays a bill, has a right to reimbursement from his co-sureties, in proportion to their number. Thus if A. B. and C. be co-sureties, A having paid the debt, would be entitled to recover, *at law*, a third from each of the others.

An Indorsement in full makes the instrument payable to the payee or his order only; and he cannot transfer it otherwise than by indorsement.

A Qualified Indorsement is given to make a bill negotiable, without incurring personal responsibility on the part of the indorser.

A Restrictive Indorsement is a restrictive direction appended to the payee's name, so that, into whose hands soever the bill may fall, it will carry a trust on the face of it.

If a person at the time a note is made write on the back of it, "I guarantee the payment of the within note," he will be treated as a joint and several promisor with the maker thereof, and not as a mere guarantor. But if the indorsement be made at a subsequent time or be a guarantee of *collection* instead of *payment*, the indorser

would be considered as a guarantor; a consideration, however, in these last cases should be expressed. If a note be indorsed thus, "For value received I guarantee the collection of the within note," the guarantor would not be liable upon it unless the holder showed a diligent attempt to collect it.

A bill or note cannot be indorsed for part of the sum remaining due upon it. If the bill have been partly paid, it may be specially indorsed for the part remaining due upon it.

An indorsee has a right to convert a blank indorsement into a special one, by writing over the signature the necessary words, or he may convert a special into a blank indorsement by striking out the words that made it a special indorsement.

OF THE TRANSFER OF BILLS AND NOTES.

Bills and notes are divided into two classes—Negotiable and Non-negotiable.

Negotiable paper is that, the ownership of which may be freely transferred from one to another, giving the holder the right of action, without being subject to any offsets, or legal defences existing between the original parties, if transferred before maturity for a valuable consideration, and received without any defect therein.

Negotiable paper is made payable to the order of the payee, to the payee or order, to the payee or bearer, or to the bearer, or some other term of similar import; showing that the maker intends to give the payee the right of transfer.

Non-negotiable paper is that which is made payable to the person therein named without authority to transfer it to a third party.

It may be transferred from one to another by assignment, or indorsement, but it remains subject to all offsets, and legal defences existing between the original parties.

The title to negotiable paper passes from one to another by delivery, if made payable to payee or bearer, or to bearer; and by indorsement and delivery, if made payable to order of payee, or to payee or order. The title to non-negotiable paper passes by assignment, or indorsement and delivery.

A transfer by mere delivery, without indorsement, of a bill or note made payable to the bearer, does not render the transferer liable. A transfer by delivery, warrants that the bill or note is not forged or fictitious.

PRESENTMENT OF A BILL FOR ACCEPTANCE.

Presentment for acceptance is necessary, if the bill be drawn payable at sight or at a certain period after sight or after demand. Till such presentment there is no right of action against any party; and generally, unless it be made within a reasonable time, the holder loses his remedy against the antecedent parties.

Presentment should be made during the usual hours of business.

OF ACCEPTANCE.

ACCEPTANCE, in its ordinary signification, is an engagement by the drawee to pay the bill when due, in money. It must be in writing, though no precise form is necessary; any written words clearly denoting an intention to accept the bill are sufficient.

An instrument drawn by A. upon B., requiring him to pay to the order of C. a certain sum at a certain time, is a BILL OF EXCHANGE or DRAFT, but after its acceptance by B., it is usually called an ACCEPTANCE.

A bill is said to be honored when it is duly accepted; and when acceptance or payment is refused, it is said to be dishonored.

The holder is entitled to require from the drawee an absolute engagement to pay according to the tenor of the bill, unincumbered with any condition or qualification. If the drawee refuse to give the holder a general and unqualified acceptance, he may treat the bill as dishonored. Notice must be given of a failure in the attempt to procure an acceptance; otherwise, the person guilty of the neglect may lose his remedy upon the bill.

ON PRESENTMENT FOR PAYMENT.

The contract of the acceptor of a bill, or the maker of a note, being to pay the amount upon due presentment at maturity, in order to charge the indorsers, it is the duty of the holder to demand payment of the maker on the very day on which, by law, the bill becomes due; and unless the demand be so made the holder loses his remedy against the indorsers, although the maker would still be liable.

If a bill or note be made payable at a particular place, the holder is bound to make a demand of payment at that place. In determining where a bill or note becomes due, days of grace, as they are called, must be allowed. These days, in different countries, are as

follows: In Canada, the United States, Great Britain, and Australia, 3; in the Netherlands, none; in Hamburg and Altona, 12; in Frankfort-on-the-Main, 4; in Paris, Bordeaux, Dantzic, and Russia, 10; in Geneva, 5; in Bremen, 8; in Antwerp, Amsterdam, Cadiz, Lisbon, Oporto, Rio Janeiro, Rotterdam, and Venice, 6; in Russia, 3 days are allowed on all bills payable after sight.

When a bill is drawn "on demand," or if no time of payment be specified upon its face, it must be paid on presentation, no grace being allowed. If the day of grace fall on Sunday, or a legal holiday, the bill is payable the day after.

Bills or notes made payable at a particular bank, are generally left with that bank for payment.

If a bill or note is payable, generally, without any specification of place, the holder may present it for payment to the acceptor or maker wherever he may be found.

A notice stating that a bill or note has been dishonored is effectual. Sending a verbal notice to a merchant's counting-house in the ordinary hours of business, or to the house of a person not a merchant is sufficient, though he be not at home.

Sending notice by the post is sufficient, though it be delayed or be not received through the fault of the post.

PROCEEDINGS ON NON-PAYMENT.

No protest is required to be made upon the dishonor of a bill or note; although it is common to protest them for non-payment, especially in commercial towns. But in every case of the dishonor of a bill or note, it is the duty of the holder to give due notice thereof to all the prior parties on the note to whom he means to look for payment; for the holder cannot recover against a party to whom he has failed to give due notice of the dishonor.

OF PAYMENT.

If the maker makes due payment of a bill or note to a *bona fide* holder, it will amount to a complete discharge of all other parties thereon. But when payment is made by an indorser, such indorser, as a general rule, will retain his right to recover, over against all the antecedent parties to the instrument until he has received a full indemnity; such payment, generally, discharges all the indorsers subsequent to himself.

If a bill or note is dated forward, of a day not arrived, and any of the parties die before that day, such deaths will be no bar to the remedy of a *bona fide* holder.

It is no objection to a bill or note that it is dated on Sunday, for it does not follow that it was made on that day. A bill drawn on Sunday, founded upon a contract made on that day, in the ordinary calling of the person making it, is void in the hands of a person who, with knowledge of the circumstance, took it from the person to whom it was given ; but it holds good in the hands of an innocent indorsee for value.

Every bill or note must be signed by the person making it, or some one authorized by him for that purpose.

It is not essential to the validity of a bill that it be negotiable, or that it contain the words "value received," although in many cases it is highly important that these words be inserted.

A bill or note may be issued with a blank for the payees name, and any *bona fide* holder may insert his own name as payee. But, until the blank is filled up, it is not a bill or note.

A memorandum on a bill or note made before it is issued, may, in some instances, be considered as part of the bill or note, and control its operation. As a memorandum, that if any dispute shall arise respecting the consideration, the bill or note shall be void.

PARTIES TO A BILL OR NOTE.

A bill or note cannot properly be made or indorsed by, nor can a *bill* be properly addressed to any person incapable of making himself responsible for the payment, nor can it be properly made payable or indorsed to any person incapable of suing.

Therefore, a bill or note cannot properly be made or indorsed by, nor can a bill be properly addressed to an infant; except perhaps where it is drawn, indorsed, or accepted for necessaries.

As an infant is capable of suing, he may be a payee or indorsee. But it may be questionable, in some cases, whether payment should not be made to his guardian.

Bills or notes cannot properly be made, indorsed or accepted by a married woman, unless where she acts by authority from her husband ; or where she resides here and he is under a civil incapacity of being in this country.

Where a bill or note is given to a single woman, and she marries, the property vests in her husband, and he alone can indorse it ; and husband and wife must join in the action upon it. If a note be made to a woman *after marriage*, the interest vests in the husband. If a single woman, being a party liable on a note, marries, her husband becomes responsible, and they should be sued jointly. If (the debt being still unsatisfied) he dies, she is liable and not his executors ; if she dies, her representatives are liable if there be assets, but not her husband.

The contracts of a lunatic, an idiot, or other person *non compus mentis* from age or personal infirmity, are utterly void.

A note obtained by fraud or from a person in a state of *total* drunkenness, cannot be collected by a party who knew the circumstances when he took it.

If persons who fill official situations, as churchwardens, overseers, surveyors, commissioners, managers of joint stock companies, and the like, give bills or notes on which they describe themselves in their official capacity, they are nevertheless personally liable.

JOINT NOTES.

A note by two or more makers may be either joint, or joint and several, according to its form. The makers of a joint note should be sued jointly ; for if sued separately the action may be defeated by a plea in abatement of the non-joinder of the other maker or makers. If one of the parties to a joint note be insolvent, or out of the country when the note falls due, it may be collected from the other. The makers of a joint and several note may be sued upon it, either jointly or separately ; and if sued separately, a recovery of judgment (without satisfaction) against one will not be a bar to a recovery against another maker.

A note signed by more than one person, and beginning, "We promise," &c., is a joint note only. A joint and several note usually expresses that the makers jointly and severally promise. But a note signed by more than one person and beginning, "I promise," &c., is several as well as joint. So a note beginning in the singular, "I promise," &c., and signed by one partner for his co-partners, is the joint note of all and has been held to be also the several note of the signing party.

A joint and several note, though on one piece of paper, comprises, in reality and in legal effect, several notes. Thus if A. B. and C. join in making a joint and several note, there are, in effect, four notes. There is the joint note of the three makers, and also the several note of each.

OF THE ALTERATION OF BILLS OR NOTES.

If a bill or note be altered in a material part (though by consent of all parties), after it has once been issued, it requires a new stamp; unless such alteration were to correct a mistake, and merely to make the bill what it was originally intended to have been.

Correcting the date, or the mode of its negotiability, to make it what it was intended, will not affect a bill or note.

An alteration of a bill or note in a material part, not only makes a new stamp necessary, but vacates the bill or note, except as between the parties consenting to such alteration.

Inserting a mere memorandum to say where the bill or note is to be payable, if it give a right direction in that respect, or correcting the address or style of the drawee, so as to make it accord with the acceptance, will not affect a bill. But altering an acceptance so as to give an unwarranted place for payment, vacates the acceptance.

Altering the place where a bill or note is payable, if for a fraudulent purpose, may be punishable as a forgery.

Cutting off from a joint and several note the name of one of the parties who has executed it, will vacate the note.

If a bill or note appear upon the face of it to have been altered, it is for the holder to prove that it was altered under circumstances which make it still available. The payment of interest upon it by the party, will suffice for this purpose.

OF THE OBLIGATIONS OF PARTIES.

The drawer's undertaking in a Bill of Exchange is, that the drawee upon due presentment to him, shall accept such bill, and pay the same when due; and that if the drawee do not accept it, or pay it when due, he will pay the amount of the bill, together with certain damages allowed by law; provided he is duly notified of such non-payment.

It is the payee's duty, if the bill remain in his possession, to present it to the drawee for acceptance and for payment at the proper

time and place ; and in case the drawee refuse to accept or pay, to give notice without delay, to the drawer, of such refusal.

The acceptor undertakes, and is bound to pay the bill, according to the tenor of the acceptance, when it becomes due, and upon due presentment thereof. In short, all those who have signed, accepted, or indorsed a bill of exchange, are jointly and severally liable upon it to the holder. The acceptor is considered, in all cases, as the party primarily liable on the bill. He is to be treated as the principal debtor to the holder, and the other parties as sureties liable on his default.

The acceptor of a bill stands for most purposes, in the same situation as the maker of a note, and the maker of a bill in the situation of the indorser of a note.

The acceptor's liability can only be discharged by payment, or other satisfaction, by release, or by waiver.

INDORSEMENT.

A person who writes his name upon a Bill or note otherwise than as a maker or acceptor, and delivers it with his name thereon, to another person is called an indorser, and his act is called an indorsement.

Indorsements are of two sorts : *blank*, and *full* or *special* indorsements.

Special indorsements are modified in different ways as shown in the following

FORMS OF INDORSEMENT.

1.—Indorsement in blank.
John A. Fraser.

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Pay to John A. Fraser or order.
S. G. Baker.

3.—Qualified indorsement.
Without recourse to me.
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Or the following might be used :
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For value received I hereby guarantee the payment of the within note.
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No particular form of words is essential to any indorsement. A *blank indorsement* is made by the mere signature of the indorser on

the back of the bill as above; its effect is to make the instrument thereafter payable to bearer, and it places the indorser in the position of surety for the maker.

When several persons separately indorse a bill, in blank, and it is dishonored by the drawer, the payee or holder has a right of action against all the indorsers, or he may sue and recover the amount from any one of them.

The maker of a note is the principal debtor, and all the indorsers are sureties for him, liable on his default. But though all the indorsers are, *in respect of the maker*, sureties, they are not, as *between themselves* merely co-sureties, but each prior party is a principal in respect of each subsequent party. For example, suppose a note to be indorsed by the payee and two subsequent indorsers. As between the holder and maker, the maker is the principal debtor, and the indorsers are his sureties. But as between the indorsers, the first indorser is the principal debtor, and the subsequent indorsers are his sureties. A discharge, therefore, to the prior parties, is a discharge to the subsequent parties, but a discharge to the subsequent parties is not a discharge to the prior parties.

In case of an indorsement where parties become co-sureties, an indorser who pays a bill, has a right to reimbursement from his co-sureties, in proportion to their number. Thus if A. B. and C. be co-sureties, A having paid the debt, would be entitled to recover, *at law*, a third from each of the others.

An Indorsement in full makes the instrument payable to the payee or his order only; and he cannot transfer it otherwise than by indorsement.

A Qualified Indorsement is given to make a bill negotiable, without incurring personal responsibility on the part of the indorser.

A Restrictive Indorsement is a restrictive direction appended to the payee's name, so that, into whose hands soever the bill may fall, it will carry a trust on the face of it.

If a person at the time a note is made write on the back of it, "I guarantee the payment of the within note," he will be treated as a joint and several promisor with the maker thereof, and not as a mere guarantor. But if the indorsement be made at a subsequent time or be a guarantee of *collection* instead of *payment*, the indorser

would be considered as a guarantor; a consideration, however, in these last cases should be expressed. If a note be indorsed thus, "For value received I guarantee the collection of the within note," the guarantor would not be liable upon it unless the holder showed a diligent attempt to collect it.

A bill or note cannot be indorsed for part of the sum remaining due upon it. If the bill have been partly paid, it may be specially indorsed for the part remaining due upon it.

An indorsee has a right to convert a blank indorsement into a special one, by writing over the signature the necessary words, or he may convert a special into a blank indorsement by striking out the words that made it a special indorsement.

OF THE TRANSFER OF BILLS AND NOTES.

Bills and notes are divided into two classes—Negotiable and Non-negotiable.

Negotiable paper is that, the ownership of which may be freely transferred from one to another, giving the holder the right of action, without being subject to any offsets, or legal defences existing between the original parties, if transferred before maturity for a valuable consideration, and received without any defect therein.

Negotiable paper is made payable to the order of the payee, to the payee or order, to the payee or bearer, or to the bearer, or some other term of similar import; showing that the maker intends to give the payee the right of transfer.

Non-negotiable paper is that which is made payable to the person therein named without authority to transfer it to a third party.

It may be transferred from one to another by assignment, or indorsement, but it remains subject to all offsets, and legal defences existing between the original parties.

The title to negotiable paper passes from one to another by delivery, if made payable to payee or bearer, or to bearer; and by indorsement and delivery, if made payable to order of payee, or to payee or order. The title to non-negotiable paper passes by assignment, or indorsement and delivery.

A transfer by mere delivery, without indorsement, of a bill or note made payable to the bearer, does not render the transferer liable. A transfer by delivery, warrants that the bill or note is not forged or fictitious.

PRESENTMENT OF A BILL FOR ACCEPTANCE.

Presentment for acceptance is necessary, if the bill be drawn payable at sight or at a certain period after sight or after demand. Till such presentment there is no right of action against any party; and generally, unless it be made within a reasonable time, the holder loses his remedy against the antecedent parties.

Presentment should be made during the usual hours of business.

OF ACCEPTANCE.

ACCEPTANCE, in its ordinary signification, is an engagement by the drawee to pay the bill when due, in money. It must be in writing, though no precise form is necessary; any written words clearly denoting an intention to accept the bill are sufficient.

An instrument drawn by A. upon B., requiring him to pay to the order of C. a certain sum at a certain time, is a BILL OF EXCHANGE or DRAFT, but after its acceptance by B., it is usually called an ACCEPTANCE.

A bill is said to be honored when it is duly accepted; and when acceptance or payment is refused, it is said to be dishonored.

The holder is entitled to require from the drawee an absolute engagement to pay according to the tenor of the bill, unincumbered with any condition or qualification. If the drawee refuse to give the holder a general and unqualified acceptance, he may treat the bill as dishonored. Notice must be given of a failure in the attempt to procure an acceptance; otherwise, the person guilty of the neglect may lose his remedy upon the bill.

ON PRESENTMENT FOR PAYMENT.

The contract of the acceptor of a bill, or the maker of a note, being to pay the amount upon due presentment at maturity, in order to charge the indorsers, it is the duty of the holder to demand payment of the maker on the very day on which, by law, the bill becomes due; and unless the demand be so made the holder loses his remedy against the indorsers, although the maker would still be liable.

If a bill or note be made payable at a particular place, the holder is bound to make a demand of payment at that place. In determining where a bill or note becomes due, days of grace, as they are called, must be allowed. These days, in different countries, are as

follows: In Canada, the United States, Great Britain, and Australia, 3; in the Netherlands, none; in Hamburg and Altona, 12; in Frankfort-on-the-Main, 4; in Paris, Bordeaux, Dantzic, and Russia, 10; in Geneva, 5; in Bremen, 8; in Antwerp, Amsterdam, Cadiz, Lisbon, Oporto, Rio Janeiro, Rotterdam, and Venice, 6; in Russia, 3 days are allowed on all bills payable after sight.

When a bill is drawn "on demand," or if no time of payment be specified upon its face, it must be paid on presentation, no grace being allowed. If the day of grace fall on Sunday, or a legal holiday, the bill is payable the day after.

Bills or notes made payable at a particular bank, are generally left with that bank for payment.

If a bill or note is payable, generally, without any specification of place, the holder may present it for payment to the acceptor or maker wherever he may be found.

A notice stating that a bill or note has been dishonored is effectual. Sending a verbal notice to a merchant's counting-house in the ordinary hours of business, or to the house of a person not a merchant is sufficient, though he be not at home.

Sending notice by the post is sufficient, though it be delayed or be not received through the fault of the post.

PROCEEDINGS ON NON-PAYMENT.

No protest is required to be made upon the dishonor of a bill or note; although it is common to protest them for non-payment, especially in commercial towns. But in every case of the dishonor of a bill or note, it is the duty of the holder to give due notice thereof to all the prior parties on the note to whom he means to look for payment; for the holder cannot recover against a party to whom he has failed to give due notice of the dishonor.

OF PAYMENT.

If the maker makes due payment of a bill or note to a *bona fide* holder, it will amount to a complete discharge of all other parties thereon. But when payment is made by an indorser, such indorser, as a general rule, will retain his right to recover, over against all the antecedent parties to the instrument until he has received a full indemnity; such payment, generally, discharges all the indorsers subsequent to himself.

The party paying a bill or note has a right to insist on its being delivered up to him. But, where the bill or note is not negotiable, he cannot refuse to pay it until it is delivered up.

A party paying any debt has a right to demand a receipt for the same, and the party to whom money has been paid is bound to give a receipt, and if he refuses to sign a receipt presented to him for that purpose he is liable to a penalty.

OF INTEREST.

Interest is recoverable on a promissory note in which there is no special agreement to pay interest, from the time when the principal becomes due, or ought to have been paid. A note payable on demand carries no interest till a demand is made, either by suit or otherwise, unless there is an agreement to pay interest. A note not on demand, in which no time of payment is mentioned, draws interest from date.

Whenever there is a special agreement to pay interest, that is when the words "with interest," &c., are contained in the note, it draws interest, of course, according to such agreement or contract.

A note is said to be outlawed in six years from the time it becomes due. The statute requires that all actions founded upon any instrument or contract not under seal, must be commenced within six years next after the cause of action accrued, and not after.

Interest ceases to run after a tender is made, providing the bill or note is already due.

Any rate of interest agreed to by the parties to a bill or note, and inserted therein, may be collected.

In cases where interest is allowable on a bill or note and no rate is specified, six per cent may be collected.

OF A LOST BILL OR NOTE.

If a bill or note be destroyed by fire or other accident, an action may, perhaps, be brought thereon. But, if a bill or note be lost, there can be no remedy upon it at law, unless it was in such a state, when lost, that no person but the plaintiff could have acquired a right to sue thereon. Therefore no action can be maintained on a negotiable bill or note if it be lost.

Losing a bill implies negligence in the loser, and the results of negligence ought to fall upon him.

It is advisable in case of a lost bill or note that the loser immediately give notice of the loss to the parties liable on the bill; for they will thereby be prevented from taking it up without due inquiry.

Public advertisement of the loss should also be given ; for, if any person discounts it with notice of the loss, that will be such strong evidence of fraud, that he can acquire no property in it.

OF COMMERCIAL PAPERS.

Some of the different papers used in business are, Receipts, Drafts, Checks, Due Bills, Orders, Bills, Invoices, Account Sales, Leases, Bonds and Mortgages, Protests, Manifests, Bills of Lading, Releases, Contracts, etc., etc.

A Receipt is an acknowledgement in writing of having received a certain sum of money, or other valuable consideration.

A Draft is an order in the form of a request, payable at sight or in a specified time.

A Check is an order on a Bank or Banker, for money, payable to the bearer, or his order.

A Bill of Exchange is an order, or open letter of request, for a sum of money, addressed to a person in a distant place.

A Due Bill is a simple acknowledgment of a debt in writing.

An Order is a request by one person on anotheer to pay a certain amount on his account.

A Bill is a written description of particulars or items.

A Bill of Goods is a description of the quantity and price of goods sold, with the time of the transaction and the names of the purchaser and seller.

An Invoice is a full account of merchandise, in which the marks, numbers, contents, and value of each package are described, together with all charges.

An Account Sales is an exhibit of the sales of goods disposed of on commission, with the charges incurred thereon.

A Lease is the written contract of agreement between a landlord and tenant.

A Bond is a legal instrument by which the giver binds himself to do, perform, or fill a certain contract by a stated time. When in your favor it is called a Bond Receivable, and when against you a Bond Payable.

A Mortgage is a pledge of property, either real or personal, by a debtor to a creditor.

A PROTEST of a note or bill of exchange, is a formal declaration made by a notary public under hand and seal, at the request of the holder, for non-acceptance or non-payment.

A MANIFEST is a list of the cargo of a ship, with the mark, number, or description of each article or package, to be exhibited at the custom-house.

A BILL OF LADING is a formal receipt subscribed to by the master of a ship, or other common carrier, acknowledging the receipt of goods intrusted to him for transportation, and binding himself, under certain exceptions, to deliver them in like condition as received, at the place and to the person named in the bill, or his assigns, for a remuneration of freightage.

CHATTEL NOTES.

We have seen that in order to constitute a *promissory* note, it must be for the payment of *money* only; if then a note be payable otherwise than in money, it is called a *chattel* note. Chattel notes are not negotiable, and cannot be sued, except in the name of the payee. No days of grace are allowed upon them.

It is the duty of the maker of a chattel note, payable in specific articles, at a place mentioned in the note, to *tender* the articles at that place, and at the time it becomes due. If the maker neglect to make such tender, he will be liable to the payee to pay him the amount of the note in money. But if, on the other hand, the maker tender the articles mentioned in the note at the proper time and place, according to the contract, and the creditor neglects or refuses to receive them, the debt is thereby discharged; but the right of property in the articles tendered passes to the creditor. The debtor may abandon the goods tendered; but if he elects to retain possession of them, he will be considered as bailee of the creditor at his (the creditor's) risk and expense. The relation of debtor and creditor would in such case be changed to that of bailor and bailee.

There is a difference as to tender between *portable* and *cumbrous* articles. With respect to the former, a tender as above must be made; as to the latter, it will be sufficient if the debtor offer to deliver as the creditor shall direct.

FORMS OF CHATTEL NOTES.

Six months after date, I promise to pay J. Smith, or order, fifty bushels of good merchantable wheat, to be delivered at the residence of said J. Smith at market price.

A. BROWN.

Belleville, Aug. 4, 1874.

$75.

Three months after date, I promise to pay J. Smith, or bearer, at my place of residence in this city, seventy-five dollars' worth of sound and merchantable winter apples, at two dollars per bushel.

A. BROWN.

Hamilton, Aug. 4, 1874.

RECEIPTS.

A receipt in full, though strong evidence, is not conclusive; and a party signing such receipt will be permitted to show a mistake or error therein, if any exist.

Receipts for the payment of money are open to examination, and may be varied, explained, or contradicted, by parole testimony.

RECEIPT FOR PAYMENT ON ACCOUNT.

Cobourg, Ont., Nov. 1st, 1874.

Received from W. H. Yourex fifty dollars on account.

$50. *J. B. TURNER.*

RECEIPT IN FULL OF ACCOUNT.

Belleville, Jan. 1st, 1874.

Received from W. R. Ross seventy five dollars in full of account to date.

$75. *R. P. DANIELS.*

RECEIPT IN FULL OF ALL DEMANDS.

Napanee, Jan. 1st, 1874.

Received from Henry Bro's. one hundred and fifty dollars, in full of all demands.

$150. *J. A. FRASER.*

RECEIPT FOR A PARTICULAR BILL.

Kingston, Dec. 1st, 1874.

Received from Beatty & Wallbridge five hundred dollars, in payment for a bill of groceries of this date.

J. CARRUTHERS.

RECEIPT FOR BORROWED MONEY, (OR BORROWED MONEY DUE BILL.)

Picton, Jan. 1st, 1874.

Borrowed and received from John S. Miller four hundred and fifty dollars, which I promise to pay on demand, with interest.

$450. *B. BORROW.*

RECEIPT FOR SERVICES.

Belleville, Dec. 1st, 1874.

Received from Geo. Wallbridge forty-seven dollars, in full for services to date.

$47. *O. PAYMAN.*

RECEIPT FOR A NOTE.

Belleville, Dec. 4th, 1874.

Received from J. B. Ashley, his note of this date, at four months for five hundred dollars, in full of account rendered to 1st inst.

$500. *G. C. HOLTON & CO.*

RECEIPT FOR RENT.

Belleville, Dec. 1st, 1874.

Received from Beatty & Wallbridge, one hundred and twenty dollars, in full for one quarter's rent of Store No. 96, Front street; due 20th ult.

$120. *E. HARRISON.*

RECEIPT FOR INTEREST DUE ON MORTGAGE.

Toronto, Dec. 5th, 1874.

Received from Robert Smith, one hundred and fifty dollars, in full for six months interest due this day, on his mortgage to me, bearing date Dec. 6th, 1873, for five hundred and ninety dollars.

$150. *S. G. BEATTY.*

RECEIPT FOR PAYMENT BY THE HAND OF A THIRD PARTY.

Belleville, Jan. 1st, 1874.

Received from John Jones, by the hand of R. Howe, fifty dollars, in full of his account.

GEORGE WALLBRIDGE.

INDORSEMENT OF A PARTIAL PAYMENT ON A NOTE.

Bowmanville, Jan. 1st, 1874.

Received on account of the within note, forty-five dollars.

$45. *J. S. MILLER*

AGENT'S RECEIPT.

Brantford, Sept. 1, 1874.

Received from M. L. Perkins, Two Hundred Dollars, to apply on his account with C. P. Stanwood.

$200. *A. L. HOWARD, Agent.*

The following is a convenient form when a number of persons are paid at the same time:

We, the undersigned, do hereby severally acknowledge the receipt from Henry & Brother of the sum set opposite our respective names, in full for services to date.

DATE.		AMOUNT.		SIGNATURES.
1874.				
November.	1	Fifty dollars	50 00	W. H. James.
"	1	Forty dollars	40 00	Robt. Smith.
"	1	Seventy dollars	70 00	J. H. Brown.
			$160 00	

TO APPLY ON CONTRACT.

$1000. PORT HOPE, Jan. 12, 1874.

Received of S. S. Edsall, One Thousand Dollars, the same to apply on contract for building house, dated Jan. 1, 1874. *ROBERT WALLACE.*

RECEIPT FOR PROPERTY.

BELLEVILLE, Jan. 15, 1874.

Received of Duncan Parker the following enumerated articles to be held in trust for him, and returned on his demand: one Silver Watch (Hunting case), two Promissory notes, each dated Jan. 1, 1874, and signed by William Holden, one for Three Hundred Dollars, due in six months from date, and one for Five Hundred Dollars, due in eight months from date.

E. S. SHIBLEY.

DRAFTS.

SIGHT DRAFT.

STAMP 15 Cts.

MONTREAL, Nov. 2, 1874.

$424.24.

At sight pay S. G. Beatty, or order, Four Hundred and Twenty-four Dollars and Twenty-four cents, and charge the same to the account of *W. M. McKEOWN.*

To GEORGE WALLBRIDGE, Belleville.

TIME DRAFT.

STAMP 15 Cts.

1. *Time reckoned from sight.**

$500. KINGSTON, June 12, 1874.

At ten days' sight, pay to the order of Daniel Slate, Five Hundred Dollars, value received, and charge to account of *J. L. FAIRBANKS.*

To A. B. WEST & Co., Montreal.

* This form of draft should be presented for acceptance as soon as received, as the drawee has the time specified on the draft and three days grace to make the payment. This draft should be accepted by the drawee writing across its face thus: "Accepted, June 12th 1874. A. B. WEST & Co."

STAMP 24 Cts.

2. *Reckoned from Date.*

OTTAWA, April 28, 1874.

$750.

Ten days after date, pay to Austin Smith, or order, Seven Hundred and Fifty Dollars, value received, and charge to my acc't.

W. B. ROBINSON.

To SINCLAIR JACK & Co., Montreal.

Before either of the foregoing drafts become the obligation of the person on whom it is drawn it must be accepted by him, which is usually done by writing the word "Accepted" diagonally across the face of the draft, and signing the name.

Sight drafts are usually drawn for small amounts, and consequently paid when presented. If, however, the three days' grace are required by the drawee they should be accepted.

The first two of the above drafts would require the date of acceptance, in order to know when they become due, as they are made payable a certain time after sight, or acceptance.

The date of acceptance need not be written upon drafts made payable a certain time after date.

The two following forms are extensively used by merchants in drawing on their customers :

STAMP 12 Cts.

3. *Payable to Selves at Bank.*

MONTREAL, Nov. 2d, 1874.

$350.

Sixty days after date, pay to the order of ourselves, at the Bank of Montreal here, Three Hundred and Fifty Dollars, and charge to the account of

To BEATTY & WALBRIDGE, Belleville.

JOHN SMITH & CO.

STAMP 12 Cts.

4. *Time reckoned from sight.*

MONTREAL, Nov. 2d, 1874.

$350.

At three months' sight, pay to the order of ourselves at the Bank of Montreal, in Belleville, Three Hundred and Fifty Dollars, and charge to the account of

To BEATTY & WALBRIDGE, Belleville.

JOHN SMITH & CO.

5. *Bank Draft.*

No. 412. *Ontario Commercial College Bank.*

$500:00 STAMP. Belleville, *Nov. 1st*, 1874.

For value received, pay to the order of *Messrs. John Jones & Co., Montreal, Five Hundred Dollars*, which charge with or without advice to this Bank.

To the
BANK OF MASSACHUSETTS,
Boston, Mass.

James Hughes, Manager.
John Smith, Acc't.

CHECKS ON BANKS AND BANKERS.

A Check is a written order addressed to a bank, or to persons carrying on the business of bankers, by a person having money in their hands requesting them to pay to another person, or to his order, a certain sum of money mentioned in the check.

Checks differ from Bills of Exchange in the following respects:—

1st. They are always drawn on a bank, or on bankers, and are payable immediately on presentment, without any days of grace.

2d. They require no acceptance as distinct from payment.

3d. They are always supposed to be drawn upon a previous deposit of funds.

In order to make the drawer liable, in case the check is dishonoured, the holder must present it for payment within a reasonable time, and if dishonoured, must give the drawer notice thereof within a reasonable time also.

CHECK. *

No. 17. *Ontario Commercial College Bank.*

$150:00. Belleville, Nov. 2nd, 1874.

Pay to *J. B. Ashley*, or bearer,

One hundred and fifty ..... dollars.

To the Manager. *Jones, Smith & Co.*

DUE BILLS.

1. *For Cash, drawing Interest.*

$175 $\frac{33}{100}$ Brockville, July 1, 1874.

Due Henry C. Spafford, on demand, One Hundred and Seventy Five $\frac{33}{100}$ Dollars, with interest from date at nine per cent. *Wm. JORDEN.*

2. *For Merchandise, without Interest.*

$100. Belleville. June 12, 1874.

Due R. M. Gordon, One Hundred Dollars, payable in Wheat, at market price, on the first day of September next.

WILLIAM SMITH.

* It is customary with business men in giving checks to strike out the word "bearer," and write "order" over it. This makes it necessary for the payee to indorse it before he can obtain the amount, and his indorsement is a receipt for the money.

3. *For Cash, without Interest.*

Belleville, November 1, 1874.

Mr. Charles Wilson,

I. O. U. $500 $\frac{00}{100}$

N. G FIELD.

The above form of the acknowledgement of a debt is frequently used, and is termed an I. O. U. Not amounting to a promissory note, and being merely evidence of a debt due by virtue of some antecedent contract, it requires no stamp.

ORDERS.

$50. 1. *To apply on Account.*

Belleville, April 12, 1874.

Mr. W. A. Sprague will please pay to the bearer, Fifty Dollars, in Merchandise, on my account.

JOHN BROWN

$100. 2. *In full of Account.*

Belleville, Sept. 10, 1874.

Mr. G. C. Holton.

Please pay to John Templeton or bearer, One Hundred Dollars, from your store and this shall be your receipt in full of my account.

JOHN BROWN.

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3. *Special order.*

Montreal, September 1, 1874.

Mr. George Moore,

Dear Sir,—Commencing with the 1st of October, 1874, please deliver to Mrs. John Smith, one bbl. Flour every week, intervening between said date and the first of January, 1875, and charge the same to

JOHN BROWN.

BILLS.

1. *Bill Unreceipted.*

Toronto, Nov. 1st, 1874.

Mr. JOHN S. EWING,

Bought of Warner Bros.

4 yds. Black Broadcloth	at	$4.25	$17 00
10 " Factory Cotton,	"	0 10	1 00
15 " Muslin,	"	0.25	3 75
20 " Red Flannel,	"	0.40	8 00
4 doz. Linen Hdkfs.,	"	2.00	8 00
5 lbs. Green Tea (Y. H.)	"	1.00	5 00
			$42 75

2. *Bill Receipted.*

BELLEVILLE, Nov. 1st, 1874.

MR. W. A. ROBLIN,

TO CONGER BROS. DR.

	To 10 yds. Cambric,	at	$0.15	$ 1 50
	" 20 " Gingham,	"	0.30	6 00
	" 5 " Broadcloth,	"	4.00	20 00
	" 2 doz. Spools Thread,	"	0.50	1 00
				$28 50

Received Payment.

CONGER BROS.

Should the above bill be receipted by a clerk, his own name should be signed under that of the firm with the word "per" placed before it.

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3. *Items of an Account.*

Mr. J. A. MOORE,

TO ROBERTSON & HENRY, DR.

1874				
Feb.	1	To 4 yds. Broadcloth,	at $5.00	$20 00
"	9	" 3 " Can. Tweed,	" 1.50	4 50
March	4	" 1 Vest (Broadcloth),		5 50
				$30 00
		CR.		
April	1	By Cash,	$20.00	
May	6	" Order on Beatty & Wallbridge,	5.00	25 00
		Balance due,		$5 00

Settled by note,

ROBERTSON & HENRY.

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4. *Monthly Statement.*

MONTREAL, Jan. 1st, 1874.

MESSRS. SMITH & JONES

TO SINCLAIR, JACK & CO. DR.

1874			
Nov.	1	To Mdse. as per bill rendered at 3 months,	$ 100 20
"	8	" " " " " 4 "	500 00
"	28	" " " " "30 days,	400 00
			$1000 20

INVOICES.

Sales, 24.
Folio, 325.

1. *Domestic Invoice.*

Sold by *J. Wilson.*

MONTREAL, Oct. 28, 1874.

MESSRS. BEATTY & WALLBRIDGE,
Belleville, Ont.

Forwarded - G. T. R.
(Terms—*Note at* 4 *mos.*)

Bought of SINCLAIR, JACK & Co.,
Importers and Wholesale Dealers in Groceries.

15	5	Hlf. chests Tea (Y. H.,) "S. J. & Co., 14."						
			78, 14, 73, 14, 74, 14, 369 75, 15, 69, 13, 70		299	72	$215	28
6/9	4	" Gunpowder, "Chinaman," 53						
			83, 15, 82, 15, 331 85, 15, 81, 15, 60		271	80	216	80
10/13	4	Bags Coffee, Java, "A. B."						
			128, 4 115, 4 494 131, 4 130, 4 16		478	24	114	72
14/15	2	" Laguyra, "C. T."						
			113, 4 115, 4 228 8		220	18	39	60
	5	Boxes (10c) Laundry Soap 60 ea.			300	07	21	00
	4	Doz. B. L. Brushes, $\frac{2}{2.50}$ $\frac{2}{3.00}$					11	00
		Cartage,						25
							$614	37
			E. J.					

2. *Foreign Invoice.*

GLASGOW, 5th August, 1874.

Invoice of *one* Package, marked and numbered as per margin, shipped as per *Hibernian S. S.* from *Glasgow* for and on account of *Messrs. G. C. Holton & Co., Belleville, Canada.*

Bought of ARTHUR & CO.

London Warehouse, Old 'Change. } G. C. H. & CO. No. 238.
Bradford Warehouse, Grange St. } B.

					£	s	d	£	s	d
1	4	Pcs. Check Wincey,								
		$56\frac{1}{2}$, $\frac{2}{57}$, $57\frac{1}{2}$.	228	6	5	14				
2	4	" " $56\frac{1}{2}$, 57, 58, 59.	$230\frac{1}{2}$	$7\frac{3}{4}$	7	8	$10\frac{1}{2}$			
3	1	Shepherd, "	$50\frac{1}{2}$	8	1	13	8			
4	2	" $51\frac{1}{2}$, 54.	$105\frac{1}{2}$	$9\frac{1}{2}$	4	3	6			
30	6	All Wool Tartan,								
		39, $\frac{3}{39\frac{1}{2}}$, $\frac{2}{40}$.	$237\frac{1}{2}$	$13\frac{1}{2}$	13	7	2			
35	6	Clan Serge,								
		31, $\frac{2}{40}$, $\frac{2}{42}$, 51.	246	$16\frac{3}{4}$	17	3	$4\frac{1}{2}$			
	1	Super "	$42\frac{1}{4}$	$16\frac{3}{4}$	2	19				
		Box and Oil,				15	6			
								53	5	1

3. *Invoice of Shipment on sole Account.*

INVOICE OF MERCHANDISE shipped per G. T. R., 1st Nov. 1874, and consigned to E. T. Hambly, Port Hope, to be sold on commission.

500 bbs. Extra Superfine Flour, at $8.	4000		
100 " Bakers Spring " " 7.50	750		
200 " Goderich Salt, " 1.50	300		
Paid Insurance.	40		
	—	—	5090
E. & O. E. *Hamilton, Nov.* 1, 1874.			
S. S. Edsall,			
Consignor.			5090

NOTE.—The Student will use the above form of invoice for a simple Shipment and the following for a joint shipment.

4. *Invoice of Shipment on Joint Account.*

Invoice of Merchandise, shipped per steamer Passport, and consigned to John Cook, Belleville, to be sold on joint account of Shipper and Consignee.

	750				
500 bbls. Goderich Salt, at $1.50.	3000				
400 " Extra Family Flour, " 7.50.	—	—	3750		
——Charges——					
Insurance on $3,750, at 1½%	56	25			
Drayage $25, Labor $10, Cooperage $4, Wharfage $13.	52				
			108	25	
Hamilton, June 1, 1874.	—	—	—	—	
W. B. ROBINSON, Consignor.			3858	25	

When goods received on commission are sold, the agent makes out, for the inspection of the consignor, a detailed account of the sales of said goods, together with such charges as have been made on account of the same. In making out an Account Sales, the mode of procedure is, to turn to the proper account in the Ledger, and from thence refer to the necessary details, as found in the books of original entry.

A variety of forms are in use; those given are most commonly adopted in business.

ACCOUNT SALES.

1. *Simple Shipment.*

Account Sales of 100 Kegs Butter, on account and risk of Ashley & Co. Belleville, Ont.

Oct.	23	Sold for cash,		
		100 kegs—6800 lbs. net at 20c.		$1360 00
		——Charges——		
"	20	Freight in cash,	$92 00	
"	"	Commission, 5 per cent. on sales,	68 00	160 00
		Ashley & Co.'s proceeds,		$1200 00
		Remitted by sight draft.		
		E. & O. E. H. M. ALEXANDER,		
		Consignee.		
		Belleville, Oct. 25th, 1874.		

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2. *Joint Shipment.*

Account of Sales of Merchandise received per Steamer *Passport*, June 3d, 1874, from W. B. Robinson, Hamilton, to be sold on joint account of shipper and myself, each $\frac{1}{2}$.

1874.						
Sep.	3	Sold Jas. Smith for indorsed note at 4 mos., with interest at 9 per cent.				
		300 bbls. Goderich Salt,	at $2.00	600		
"	"	200 " Extra Family Flour,	" 8.50	1700		
Oct.	1	Sold Winters, Smith & Co., for cash,				
		200 bbls. Goderich Salt,	" 1.75	350		
		200 " Extra Family Flour,	" 8.25	1650		4300
		——Charges——				
June	3	Freight and drawage,		95	50	
		Wharfage, cooperage and labor,		25		
		Commission and guarantee at 2%,		86		
		Interest on charges paid,		3	50	210
		Total net proceeds due Aug. 4th,				4090
		Your $\frac{1}{2}$ net proceeds,		2045		
		Our $\frac{1}{2}$ " "		2045		
		J. J. SOLMES,				
		Kingston, Ont.		4090		4090

The following form is sometimes used for both simple and joint shipments:

ASHLEY & Co., Belleville—In account sales with H. M. ALEXANDER.

		CHARGES, ETC.				SALES.	
Oct.	20	Paid Freight.....	64 00	Oct.	23	By 100 Kegs Butter... ...	
"	23	Storage and Insurance.....	28 00			" 6800 lbs. net at 20c.....	1360 00
"	"	Commission 5 per ct. on sales,	68 00			Sold for Cash.	
"	"	Ashley & Co.'s proceeds.....	1200 00				
		Remitted by sight draft,					
			1360 00				1360 00
		E. & O. E. Montreal, Oct. 25th. 1874.				H. ALEXANDER. Consignee.	

DEPOSIT RECEIPT.

ONTARIO COMMERCIAL COLLEGE BANK.

$100. No. 472.

BELLEVILLE, Nov. 1st, 1874.

Received from *James B. Ashley, Belleville,* the sum of *One Hundred Dollars* ————, which sum will be accounted for by this Bank to the said *James B. Ashley,* ————, and will bear interest at the rate of *four* per cent. per annum, provided the money remains not less than three months from date of deposit. Ten days' notice to be given of its withdrawal, on which notice interest shall cease, this receipt to be given up to the Bank when payment of either interest or principal is required.

For the

Ent'd *James Smith,* Acc't. Ontario Commercial College Bank. *S. G. BEATTY,* Cashier.

FORM OF LEASE.

This Indenture, made the first day of September, in the year of our Lord one thousand eight hundred and seventy-four, IN PURSUANCE OF THE ACT RESPECTING SHORT FORMS OF LEASES:

Between George Patterson, of the Town of Belleville, in the County of Hastings, Province of Ontario, Gentleman, hereinafter called the Lessor, and Robert Henry Porter, of the same place, yeoman, hereinafter called the Lessee;

Witnesseth, that in consideration of the Rent, Covenants, and Agreements hereinafter reserved and contained, by the said Lessee *his* executors, administrators, and assigns, to be paid, observed, and performed, the said Lessor hath demised and leased, and, by these Presents, DOTH demise and LEASE unto the said Lessee *his* executors, administrators, and assigns, ALL that certain farm, piece or parcel of land, situate, lying and being in the Township of Sidney, in the County of Hastings and Province of Ontario, and described as the SOUTH HALF of lot number six in the First Concession of the Township of Sidney aforesaid, containing by admeasurement, one hundred acres be the same more or less.

Together with all the rights, members, and appurtenances whatsoever to the said premises belonging or appertaining, TO HAVE AND TO HOLD the said hereby demised premises, with their appurtenances, unto the said Lessee his executors, administrators, and assigns, for and during the term of five years, to be computed from the first day of September one thousand eight hundred and seventy four and from thenceforth next ensuing and fully to be complete and ended, YIELDING AND PAYING therefor unto the said Lessor his heirs, executors, administrators, or assigns, the clear yearly rent or sum of Two Hundred Dollars of lawful money of Canada, to be payable on the following days and times, that is to say: on the first days of the months of March and September, in each and every year during the continuance of this Lease.

The first of such payments to become due and be made on the first day of March next, and the last of such payments to be made in advance on the first day of March, preceding the expiration of the said term.

And the said Lessee for his heirs, executors, administrators, and assigns, hereby covenant with the said Lessor his heirs, executors, administrators, and assigns in form and manner following, that is to say:—To pay rent: And to pay taxes: And to repair reasonable wear and tear, accidents by fire or tempest excepted: AND to keep up fences, and not to cut down timber: AND that the said Lessor may enter and view state of repair, and that the said Lessee will repair according to notice: AND will not assign or sublet, without leave: AND will not carry on any business that shall be deemed a nuisance on said premises: AND that said Lessee will leave the premises in good repair: AND ALSO, that if the term hereby granted shall be at any time seized, or taken in execution, or in attachment, by any creditor of the said Lessee or if the said Lessee shall make any assignment for the benefit of creditors, or becoming bankrupt or insolvent shall take the benefit of any Act that may be in force for bankrupt or insolvent debtors, the then current half year's rent shall immediately become due and payable, and the said term shall immediately become forfeited and void, but the next current half years rent shall, nevertheless, be at once due and payable:

Proviso for re-entry by the said Lessor, on non-payment of rent, or non-performance of covenants, or seizure of the said term for any of the causes aforesaid: THE said lessor covenant with the said Lessee for quiet enjoyment.

In Witness Whereof, the said parties to these presents have hereunto set their Hands and Seals, the day and year first above written.

Signed, Sealed and Delivered, in the presence of W. B. SMITH.

GEO. PATTERSON, SEAL.

ROBT. H. PORTER. SEAL.

* Wax, or some other tenacious substance, is necessary in order to make a legal seal, except it be the seal of a court or public officer.

SHORT FORM OF LEASE, NOT UNDER SEAL.

This instrument witnesseth, that Robert Brown of the city of Toronto has let and rented to Thomas North, for the term of one year, to commence on the —— day of ———, all that certain house and lot in the town of Whitby, on the north side of Main Street, lately occupied by Henry South, with the appurtenances, for the yearly rent of one hundred dollars, in quarterly payments of twenty-five dollars, to be made on the first days of the months of ———. The taxes are to be paid by the said ———.

And the said Thomas North agrees to pay the said rent (and the taxes, if so agreed,) and to quit and surrender the premises at the expiration of the said term in as good condition as reasonable use thereof will permit, damages by the elements excepted. Dated at Whitby this —— day of ——, 1874.

ROBERT BROWN,

Witness, PETER COOPER. THOMAS NORTH.

AN ASSIGNMENT OF A LEASE BY WAY OF ENDORSEMENT.

I, Robert Henry Porter, of, etc., in consideration of ——, to me in hand paid by William Henry, the receipt whereof I do hereby acknowledge, have bargained, sold, assigned and set over, unto the said William Henry, his executors, administrators and assigns, (*or if a durable lease say his heirs etc.*,) as well the written indenture, as also the term and interest in all and singular the lands, tenements, hereditaments, and premises within mentioned, yet remaining under and by virtue of the said indenture, and likewise all my estate, right, title, interest, claim, property and demand, of, in, or to the same lands, tenements, hereditaments, and premises, which I now have, either by means of the within indenture, or otherwise howsoever; subject, nevertheless, to the rents and covenants in the said indenture contained. *In witness whereof, etc.*

FORM OF A BOND.

Know all Men by these Presents;

That I, John Smith, of the town of ——, in the county of ——, and Province of Ontario, am held and firmly bound unto Robert Jones, of the town of, etc., in the penal sum of five hundred dollars of lawful money of Canada to be paid to the said Robert Jones, or his certain Attorney, executors, administrators or assigns, for which payment well and truly to be made I bind myself, my heirs, executors and administrators for ever firmly by these Presents. Sealed with my seal and dated this first day of December in the year of our Lord one thousand eight hundred and seventy-four.

The conditions of the above written Bond or Obligation is such that if the above bounden John Smith, his heirs, executors and administrators do and shall well and truly pay, or cause to be paid unto the above-named

Robert Jones, his executors, administrators or assigns, the just and full sum of six hundred dollars, in three equal annual payments from the date hereof, with annual interest at nine per cent., then the above obligation to be void; otherwise to remain in full force and virtue.

Sealed and delivered in the presence of GEO. SHERRY. } JOHN SMITH. SEAL.

STATUTORY MORTGAGE.

This Indenture, made (in duplicate) the first day of July, one thousand eight huudred and seventy-four, in pursuance of the Act respecting Short Forms of Mortgages:

Between Mary Wilson, of the village of Marmora, in the county of Hastings wife of Robert Wilson, and Robert Wilson of the said village of Marmora, yeoman, of the first part, and John Smith of the town of Picton, in the county of Prince Edward, merchant, of the second part.

Witnesseth, that in consideration of one thousand dollars of lawful money, of Canada now paid by the said mortgagee to the said mortgagor (the receipt whereof is hereby acknowledged.) The said mortgagor doth grant and mortgage unto the said mortgagee, his heirs and assigns for ever,

All and Singular that certain parcel or tract of land and premises situate, lying and being in the township of Marmora, in the county of Hastings, Province of Ontario, being the east half of lot number eight, in the fourth concession of the township of Marmora aforesaid, containing by admeasurement One Hundred Acres, be the same more or less.

Provided this mortgage to be void on payment of one thousand dollars of lawful money of Canada, with interest at eight per cent. per annum, as follows: the said principal sum of one thousand dollars to be due and payable in three years from the date hereof, with interest thereon from date at eight per centum per annum, as aforesaid, payable yearly, and taxes and performance of statute labor.

The said mortgagors, covenant with the said mortgagee, that the mortgagors will pay the mortgage money aud interest, and observe the above proviso:

That the mortgagors hath a good title in fee simple to the said lands; and that they have the right to convey the said lands to the said mortgagee: And that on default the mortgagee shall have quiet possession of the said lands, free from all incumbrances: And that the said mortgagors will execute such further assurances of the said lands as may be requisite: And that the said mortgagors hath done no act to incumber the said lands: And that the mortgagors will insure the buildings on the said lands to the

amount of not less than nine hundred dollars currency: And the said mortgagors do release to the said mortgagee all claims upon the said lands, subject to the said proviso:

Provided that the said mortgagee on default of payment for three months may, upon giving three months' notice, enter on and lease or sell the said lands: Provided that the mortgagee may distrain for arrears of interest: Provided that in default of payment of the interest hereby secured, the principal hereby secured shall become payable: Provided that until default of payment the mortgagors shall have quiet possession of the said lands: And the said Mary Wilson hereby bars her dower in said lands and premises.

In witness whereof the said parties hereto have hereunto set their hands and seals.

Signed, sealed and delivered, In the presence of THOMAS BROWN.

MARY WILSON. SEAL.

ROBERT WILSON. SEAL.

ASSIGNMENT OF MORTGAGE.

This Indenture, made (in duplicate) the first day of September one thousand eight hundred and seventy four,

Between A. B., of the &c.,——hereinafter called the ASSIGNOR, of the first part and C. D. of the &c.,——hereinafter called the ASSIGNEE of the second part,

Whereas, by a Mortgage dated on the fourth day of January, one thousand eight hundred and seventy two E. F. did grant and Mortgage the land and premises therein described to me, my heirs and assigns, for securing the payment of *(here insert the amount)*, and there is now owing upon the said Mortgage (here insert the amount yet owing upon it).

Now this Indenture Witnesseth, that in consideration of———of lawful money of Canada now paid by the said Assignee to the said Assignor *(the receipt whereof is hereby acknowledged)* THE said Assignor DOTH HEREBY ASSIGN and set over unto the said Assignee, his executors, administrators and assigns, ALL that the said before in part recited Mortgage, and also the said sum of——now owing as aforesaid

Together with all moneys that may hereafter become due or owing in respect of said Mortgage, and the full benefit of all powers and of all covenants and provisoes contained in said Mortgage. And also full power and authority to use the name or names of the said Assignor, his heirs, executors, administrators or assigns for enforcing the performance of the covenants and other matters and things contained in the said Mortgage.

And the said Assignor Doth hereby Grant and convey unto the said Assignee, his heirs and assigns, All and Singular, that certain piece (here describe the property as described in Mortgage).

To Have and to Hold the said Mortgage and all moneys arising in respect of the same, and to accrue thereon, and also the said lands and premises thereby granted and mortgaged To the use of the said Assignee, his heirs, executors, administrators and assigns, absolutely forever; but, subject to the terms contained in such Mortgage.

And the said Assignor for his heirs, executors, administrators and assigns, Doth hereby Covenant with the Assignee, his heirs, executors, administrators and assigns, that the said Mortgage hereby assigned is a good and valid Security, and that the said sum of——is now owing and unpaid, and that he has not done, or permitted, any act, matter, or thing whereby the said Mortgage has been released or discharged, either partly or in entirety; and that he will, upon request, do, perform, and execute, every act necessary to enforce the full performance of the covenants and other matters contained therein.

In Witness whereof, the said parties have hereunto set their hands and seals, the day and year first above written.

Signed, Sealed and Delivered, }

DISCHARGE OF MORTGAGE.

To the Registrar of the County of Hastings:

I, James Williams, do certify that Peter Henry Cooper, merchant, of the town of Napanee, has satisfied all money due on or to grow due on a certain mortgage made by the said Peter Henry Cooper to James Williams, yeoman, of the same place, which mortgage bears date the first day of November, A. D. 1870, and was registered in the Registry Office for the county of Hastings, on the second day of November, A. D. 1870, at twenty minutes past eleven o'clock, forenoon, in Liber B, for Thurlow, as No. 1765, and that the said mortgage has not been assigned.*

And that I am the person entitled by law to receive the money; and such mortgage is thefore discharged.

Witness my hand this first day of November, 1874.

Witness:
ROBERT DOYLE. } JAMES WILLIAMS.

*If the mortgage has been assigned, here mention the day and date of Registration of each Assignment thereof, and the names of the parties.

PROTESTS.

1. *Promissory Note for Non-payment.*

On this first day of September. in the year of our Lord one thousand eight hundred and seventy-four, at the request of the ROYAL CANADIAN BANK, holders of the Promissory Note hereunto annexed, I, GEORGE DEAN DICKSON, a Notary Public for Ontario, by Royal authority duly appointed, did exhibit the said Note unto a Clerk at the Office of the ROYAL CANADIAN BANK, at Belleville, where the same is payable, and there speaking to him, did demand Payment of the said note, to which demand he answered

"NO FUNDS."

Wherefore I, the said Notary, at the request aforesaid, have protested, and do hereby solemnly protest, as well against all the parties to the said Note, as against all other persons to whom it may concern, for all interest, damages, costs, charges, expenses, and other losses suffered or to be suffered for want of payment of the said Note; and afterwards on the day and year mentioned in the margin, I, the said Notary Public, did serve due notice according to law of the said presentment, non-payment and protest of the said Note upon the several parties thereto, by depositing in Her Majesty's Post Office at Belleville, being the nearest Post Office to the place of the said presentment, Letters, containing such notice, one of which letters was addressed to each of the said parties severally, the subscription and address of which letters are respectively copied below as follows, shat is to say:

Notices Mailed the 1st day of September, A. D. 1874. P. Q.

Protest, - - 50 Cts.
Postage, - - 04
Notices, - - 50
$1.04

Paid, John Smith, Esq., Belleville.

Paid, Messrs. J. McKay & Co., Montreal.

Paid, ...

Paid, ...

In testimony whereof, I have hereunto set my hand and affixed my seal of Office the day and year first above written.

GEORGE D. DIXON,
Notary Public. SEAL.

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2. *A Bill for Non-acceptance.*

On this first day of September, in the year of our Lord One Thousand Eight Hundred and Seventy Four, at the request of THE BANK OF MONTREAL, holders of the BILL OF EXCHANGE hereunto annexed I, Charles William Brown, a Notary Public for Ontario, by Royol authority

duly appointed, did exhibit the said Bill unto John Smith, Esq., at his place of business at Belleville, and there speaking to him, did demand acceptance of the said Bill, to which demand he answered

"I Will Not Accept."

Wherefore, I, the said Notary, at the request aforesaid, have protested and do hereby solemnly protest, as well against all the parties to the said Bill, as against all other persons whom it may concern, for all interest, damages, costs, charges, expenses, and other losses suffered or to be suffered for want of acceptance of the said Bill; and afterwards, on the day and year mentioned in the margin, I, the said Notary Public, did serve due Notice according to law of the said presentment, non-acceptance and protest of the said Bill upon the several parties thereto, by depositing in Her Majesty's Post Office at Belleville, being the nearest Post Office to the place of the said presentment, Letters containing such notice, one of which Letters was addressed to each of the said parties, severally, the Superscription and Address of which Letters are respectively copied below as follows, that is to say:

Notices mailed the 1st Day of September, A. D., 1874.

P. Q.

Protests - - - 50 cts.
Postage . 04 "
Notices, - - 50 "
$1.04.

Paid, John Smith, Esq., Belleville.
Paid, Messrs. J. McKay & Co., Montreal.
Paid, ...
Paid, ...

In testimony whereof, I have hereunto set my hand and affixed my Seal of Office, the day and year first above written.

CHAS. W. BROWN,
Notary Public. ..... SEAL. .....

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3. *A Bill for Non-payment.*

On this first day of September, in the year of our Lord one thousand eight hundred and seventy-four, at the request of the BANK OF MONTREAL, holders of the BILL OF EXCHANGE hereunto annexed, I, Charles William Brown, a Notary Public for Ontario, by Royal authority duly appointed, did exhibit the said bill unto a clerk in the office of the Bank of Montreal, at Belleville, where the same is payable, and there speaking to him, did demand payment of the said Bill, to which demand he answered, "No Funds."

Wherefore, I, the said Notary, at the request aforesaid, have protested and do hereby solemnly protest, as well against all the parties to the said Bill, as against all other persons whom it may concern, for all interest, damages, costs, charges, expenses, and other losses suf-

Notices Mailed the 1st day of September, A. D. 1874.

P. Q.

Protest, - - 50 Cts.
Postage, - - 04
Notices, - - 50
$1.04

fered or to be suffered for want of payment of the said Bill; and afterwards, on the day and year mentioned in the margin, I, the said Notary Public, did serve due notice according to law of the said presentment, non-payment and protest of the said Bill upon the several parties thereto, by depositing in Her Majesty's Post Office at Belleville, being the nearest Post Office to the place of the said presentment, Letters containing such notice, one of which Letters was addressed to each of the said parties severally, the Superscription and Address of which Letters are respectively copied below as follows, that is to say:

Paid, John Smith, Esq., Belleville.

Paid, Messrs. J. McKay & Co., Montreal.

Paid, ...

Paid, ...

In testimony whereof, I have hereunto set my hand and affixed my Seal of Office the day and year first above written.

CHARLES W. BROWN,
Notary Public.

NOTICE OF PROTEST.

BELLEVILLE, September 1, 1874.

To John Smith, Esq.:

Take notice that a PROMISSORY NOTE, dated on the twenty-ninth day of August, 1873, for the sum of $400, drawn by yourself in favor of J. McKay & Co., or order, payable one year after the date thereof, at the office of the ROYAL CANADIAN BANK, in Belleville, and endorsed by J. McKay & Co., was this day presented by me for payment at the said Bank, and that payment thereof was refused; and that the ROYAL CANADIAN BANK, the holders of the said Promissory Note, look to you for payment. Also, take notice that the same was PROTESTED this day by me for non-payment.

Your obedient servant,
GEORGE D. DIXON,
Notary Public.

MANIFEST OF STEAMER PASSPORT, THOMAS SMITH, MASTER.

FROM HAMILTON TO MONTREAL, JUNE 1, 1874.

Consignees.	Destination.	Marks.	Articles.
J. Taylor & Co.	Montreal.	J. T. & Co.	35 boxes and 46 bales.
"	"	J. T.	600 barrels of Salt.
J. C. Towers.	"	J. C. T.	100 " Pork.
S. Sands & Co.	"	S. S.	Furniture.
Wilson & Co.	"	W. & Co.	25 boxes and 10 trunks.
J. Landis & Co.	"	J. L.	120 barrels Apples.
D. B. Carrell.	"	D. B. C.	4 Trunks.
C. K. Hamilton.	"	III	100 bbls Pork & 200 bbls salt.
Ourselves.	"	S. B. H.	500 " Flour.
Ferguson & Reid.	"	F. R.	47 Bales.
"	"	W. M.	200 bbls Pork and 150 Salt.
Willis & Webb.	Kingston.	W. & W.	Furniture.
"	"	"	50 barrels Flour.
J. Jordon.	Brockville.	*J. Jordon.*	500 barrels Flour.
T. Cope.	"	T. C.	Furniture.
R. Ross.	Montreal.	*R. Ross.*	59 barrels Flour.

The above is the simplest possible form of a manifest; it is made out on a large sheet, ruled for the purpose and placed in a conspicuous place for the inspection of consignees inquiring for their freight. When vessels are plying between different countries a copy of the manifest is required to be exhibited at the Custom-house. Way-freight may be inserted or left out, as the clerk pleases, and a list of the names of the passengers appended when desirable.

BILL OF LADING.

SHIPPED in apparent good order by *S. G. Beatty, Hamilton, Ontario*, and consigned to *Messrs. J. Taylor & Co., Montreal*, in and upon the *Steamer Passport*, whereof *Thomas Smith* is Master or Agent for the present voyage, and now lying in the Port of *Hamilton*, viz.:

MARKS.	ARTICLES.	WEIGHT.
J. T. & Co. M.	*Thirty-five Boxes Tea,* *Forty-six Bales Paper Bags,*	2100

Being marked and numbered as per margin: and are to be delivered in like good order and condition, at the Port of *Montreal, in the Province of Quebec*, (the act of God, the Queen's enemies, Fire, and all and every, the dangers and accidents of the Seas and Navigation, of whatever nature and kind excepted,) he or they paying freight for the said Goods at the rate of Two Dollars per cwt.

In witness whereof, the Master or Purser of said vessel hath affirmed to *three* Bills of Lading, all of this tenor and date; one of which being accomplished, the rest to stand void.

Dated at Hamilton this 21st day of June, 1874.

DEEDS.

A Deed is a writing, sealed and delivered, to testify the agreement of the parties to the thing contained in the deed. All instruments under seal are in law, deeds; but in common acceptation, a deed is a conveyance of lands. The consideration of a deed may either be *good* or *valuable*. A *good* consideration is founded upon natural love and affection between near relations by blood; a *valuable* consideration is founded on something deemed valuable as money, goods, service, or marriage.

Every deed or contract is void when made for any fraudulent purpose, or in violation of law.

1. *Simple Deed.*

This Indenture, made (in duplicate) the —— day of ——, in the year of our Lord one thousand eight hundred and ———, in pursuance of the Act respecting Short Forms of Conveyances:

Between Stephen Hamilton Lapp, of, etc., of the first part, and Albert Ingersoll, of, etc., of the second part.

Witnesseth, that in consideration of the sum of ——— of lawful money of Canada now, paid by the said party of the second part to the said party of first part (the receipt whereof is hereby by him acknowledged) the said party of the first part doth grant unto the said party of the second part, his heirs and assigns for ever, all and singular, that certain parcel or tract of land and premises situate, lying and being (here describe the premises.)

To have and to hold unto the said party of the second part, his heirs and assigns, to and for their sole and only use for ever: subject, nevertheless, to the reservations, limitations, provisions and conditions expressed in the original grant from the Crown.

The said party of the first part covenants with the said party of the second part that he hath the right to convey the said lands to the said party of the second part, notwithstanding any act of the said party of the first part. And that the said party of the second part shall have quiet possession of the said lands free from all incumbrances. And that the said party of the first part will execute such further assurances of the said lands as may be requisite. And that the said party of the first part has done no act to incumber the said lands.

And that the said party of the first part release to the said party of the second part all claims upon the said lands.

In witness whereof, the said parties to these presents have, etc.

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2. *Quit Claim Deed.*

This Indenture, made (in duplicate) the first day of September, in the year of our Lord one thousand eight hundred and seventy-four,

Between George West, of the town of, etc., and Mary West, the wife of the said George West, of the first part, and James East, of the &c., of the second part.

Witnesseth that the said parties of the first part, for and in consideration of (*here insert the amount*) of lawful money of Canada, to them in hand paid by the said party of the second part at or before the sealing and delivery of these Presents (the receipt whereof is hereby acknowledged,) hath granted, released and quitted claim, and by these Presents doth grant, release and quit claim unto the said party of the second part, his heirs and assigns for ever, all the estate, right, title, interest, claim and demand whatsoever, both at law and in equity or otherwise howsoever, and whether possession or expectancy, of, in, and to, all and singular that certain parcel or tract of land and premises situate, lying and being, etc., (*here describe the property.*) Together with the appurtenances thereto belonging or appertaining; to have and to hold the aforesaid land and premises, with all and singular the appurtenances thereto belonging or appertaining unto and to the use of the said party of the second part, his heirs and assigns for ever; subject, nevertheless, to the reservations, limitations, provisoes and conditions expresssed in the original grant thereof from the Crown.

In witness whereof, the said parties to these Presents have hereunto set their hands and seals the day and year first above written.

Signed, Sealed and Delivered. in the presence of E. B. SAMPLE. — GEORGE WEST, SEAL. — MARY WEST. SEAL.

INDENTURE OF CO-PARTNERSHIP.

This Indenture, made this 14th day of May, in the year of our Lord one thousand eight hundred and seventy four, between Henry Smith, of the first part, Robert Bruce, of the second part, and Robert Jones, of the third part,

Witnesseth: that in consideration of the mutual trust and confidence which the said parties have in each other, each doth for himself, his heirs, executors and administrators, covenant with the other, his heirs, executors and administrators, by these presents, in manner following, to wit:

I. That the said parties hereto will be partners in the business of buying and selling dry goods and groceries at wholesale, in the business of shipping and forwarding goods of other parties to such points as may be required of said co-partnership. Such partnership to extend for the period of three years from this date.

The name and style of such co-partnership shall be Henry Smith & Co., and the business shall be carried on at Oshawa. Ontario.

II. The Capital of said firm shall consist of ————————, to be put into the said business by the said partners as follows:

Said Henry Smith shall invest————————in Cash, and in Merchandise, Notes and Book Accounts to the value of ————.

Said Robert Bruce shall invest ———— in Cash, and in Real Estate and Merchandise to the value of ————.

Said Robert Jones shall invest in Cash Two Thousand Dollars, and Merchandise to the value of Two Thousand Dollars; but it is understood that the said Henry Smith and the said Robert Jones are not required to reside at Oshawa, or have any actual concern in such business, which will be personally attended to by said Robert Bruce, but in the division of losses and profits in such business the same shall be apportioned as follows: to the said Robert Jones two-sevenths, and to the said Henry Smith and said Robert Bruce the remainder in equal shares.

The said parties hereto may each draw out of said businesss a sum in cash or stock not exceeding Fifty Dollars per month, for his separate use; but in case, at the end of each year, on taking a general annual account, it shall appear that the net profits of such year shall not amount to the gross sum so drawn out of the business by all the partners, then each partner shall immediately repay to said partnership the excess, if any, of the sums which he shall have so drawn out of said business over the sum which he shall be entitled to receive as his share of the net profits of said business during the year.

And in case there shall have been a loss in the business of any year, then, at the beginning of the next ensuing year, the several partners shall contribute a *pro rata* sum (taking into account the state of the account of each partner with said partnership,) which shall restore the original capital of said partnership.

III. The said Robert Bruce shall have the right to hire and dismiss all clerks and other employees of said firm, and shall give his sole and exclusive attention to the conduct of the aforesaid business; but no bill, note of hand, or other evidence of debt, shall ever be issued or put in circulation by him in the name of said firm, but every such evidence of indebtedness shall be deemed the individual obligation of the partner who shall sign such firm-name, and shall be charged to him as such in the account of such firm.

IV. All goods shall be sold for cash, unless a credit is given by the concurrence of all the members of the firm, and books of account shall be kept by the said Bruce, and proper entries made therein of all the moneys, goods, effects, debts, sales, purchases, receipts, payments and other transactions of said partnership, which books, together with all cash, securities and assets of said firm, shall at all times be accessible at said Oshawa for the inspection of all partners, and to take copies of the same if required; and at the end of each year hereafter there shall be a full and particular account, in writing, taken by the said Bruce of all the stock in trade, money and assets of said firm, and of all debts due and owing by and from the same, and a just valuation or appraisement made of such assets and liabilities, which account shall immediately, on being completed, be shown by the said Bruce to the said Smith, and the said Jones, at the place of business of said firm in Oshawa aforesaid.

In case disputes shall arise between the parties hereto, or any two of them, growing out of said business, and before the expiration of said co-partnership, no attempt shall be made to interfere with the ordinary conduct of such business by injunctions and receivers, or by any proceedings at law or equity; but all such disputes shall be determined by arbitration in the manner pointed out in the Statutes relating to arbitrations.

In witness whereof, the parties to these presents have hereunto set their hands and seals, the day and year first above written.

Signed, sealed and delivered in the presence of S. G. BEATTY. } HENRY SMITH, [L. S.] ROBERT BRUCE, [L. S.] ROBERT JONES, [L. S.]

AGREEMENT FOR BUILDING A HOUSE.

This Indenture, made in duplicate this —— day of——, in the year of our Lord, one thousand eight hundred and seventy-four, between A. B., of, etc., and C. D. of, etc.

Witnesseth: that the said C. D., for the considerations hereinafter mentioned, doth for himself, his heirs, executors and administrators, covenant with the said A. B., his executors, administrators and assigns, that the said C. D., or his assigns, shall and will within the space of (*here insert the time,*) next after the date hereof, in a good and workmanlike manner, and at his own proper charge and expense, at (*here insert the place,*) well and substantially erect, build and finish one house, according to the draught, scheme, and explanation, hereunto annexed, with such stone, brick, timber, and other materials, as the said A. B., or his assigns, shall find or provide for the same.

In Consideration whereof the said A. B. doth for himself, his executors and administrators, covenant with the said C. D., his executors, administrators, and assigns, well and truly to pay unto the said C. D., his executors and assigns, the sum of —— of lawful money of Canada, in manner

following, viz: ——, part thereof at the beginning of said work, —— more, another part thereof, when the said work shall be half done, and the remaining ——, in full for the said work, when the same shall be completely finished: And, also, that he, the said A. B., his executors, administrators, or assigns, shall and will, from time to time as the same shall be required, at his and their own expense, provide stone, brick, timber and other materials necessary for making, building, and finishing the said house. And for the performance of all and every the articles and agreements above mentioned, the said A. B. and C. D, do hereby bind themselves, their executors, administrators and assigns, each to the other, in the penal sum of —— firmly, by these presents.

In Witness Whereof, &c.

WILL.

When it is convenient to employ a lawyer, or some one acquainted with legal forms, to write a will, the services of such a person should be procured. But this is not always convenient. Therefore, every person who can write a legible hand should learn to draw a will in proper form. If he never has occasion to use this knowledge for himself, he may be called on to perform this kind office for a friend or neighbor suddenly thrown upon a bed of death.

Every pupil, before leaving the public school should be taught the form and legal requisites of a will.

The *testator* is the person who makes and signs the will.

The *donee*, also called *legatee* or *devisee*, is the one who receives property by the will. He should not write it, nor in any way procure the writing of it, nor be a subscribing witness to it.

The *executor* is the person to whom the execution of the will is intrusted by the testator.

A will requires two subscribing witnesses, and they should sign their names in the presence of each other, and in the presence of the testator, and at his request.

The witnesses to a will should write their several places of residence opposite their respective names.

The signature of the testator must be at the foot or end of the will, and where there are several sheets of paper, it is better for the testator and witnesses to sign every sheet.

A seal is not essential, though the practice is to put a seal to the testator's signature.

The date should never be omitted; for, though it is not essential to the validity of a will, it is evidence of the time of its execution in case another will should be found.

A will made by a person under twenty-one years of age is invalid. The marriage of the testator generally revokes a will.

FORM OF WILL.

I, WILLIAM HENRY BROWN, of the Town of Belleville, in the County of Hastings and Province of Ontario, Canada, being of sound mind and memory, and considering the uncertainty of this frail and transitory life, do therefore make, and declare this to be my last WILL AND TESTAMENT, that is to say:

FIRST.—After all my lawful debts and funeral expenses are paid and discharged, I BEQUEATH to my wife, Laura Brown, the dwelling-house and land connected therewith, which we now occupy as a homestead; and all the furniture and household goods, including pictures, books, linen, china, plates, provisions, chattles, and effects, (other than money or securities for money,) which shall at my death, be in or about my dwelling-house, or the out-buildings or grounds thereof. I also bequeath to my said wife, the sum of six thousand dollars cash, to be paid to her within one calendar month after my death, without interest.

SECOND.—I give to my daughter Jane, four thousand dollars cash, and thirty shares in the BANK OF MONTREAL, for her sole use, and for the use of her heirs at her discretion.

THIRD.—I give to my son William, all my real estate in the Township of Thurlow, County of Hastings, Province of Ontario, and all the live stock and implements used for farming purposes in connection with the same.

FOURTH.—The residue of my property, real and personal, I give and bequeath to my son Thomas.

FIFTH.—I hereby appoint my son WILLIAM to be executor and my wife LAURA executrix of this, my last will and testament, hereby revoking all former wills by me made, AND I APPOINT my said wife and Robert Henry Smith, of the town of Belleville, afforesaid guardians of my infant children.

In Witness whereof, I, the testator have hereunto set my hand and seal, this first day of December, in the year of our Lord one thousand eight hundred and seventy-four.

Signed, sealed, and delivered by the testator, in the presence of us, who, (in his presence) at his request, and in the presence of each other, have hereunto subscribed our names as witnesses.
THOMAS STRONG, of Cobourg, Ontario,
PETER FARNOR, of Belleville, Ontario.

WILLIAM H. BROWN. SEAL.

QUESTIONS FOR REVIEW.—BUSINESS PAPERS.

What is a Bill of Exchange? How many persons are interested therein? When the drawee of a bill undertakes to pay it, what is he then called? Describe what is necessary in order to transfer bills of different kinds? Bills of Exchange are of how many kinds? How are foreign Bills usually drawn? What is the object of drawing them in sets?

What duties are imposed on Bills and Promissory Notes? Give the form of a set of Exchange.

What is a Promissory Note? What resemblance is there between a Note and Bill of Exchange? Give the different forms of Notes.

Must a Bill or Note, or an indorsement thereon necessarily be in ink? If there should be a variance between the sum superscribed in figures and that mentioned in the body of the note, which will prevail? Does the omission of the place where the note is made, the date, or the words "value received," invalidate it? Under what circumstances does the dating of a note on Sunday render it void? Can a note made by an infant be collected under any circumstances?

Has a married woman power to issue a note or bill? Relate the laws that govern notes issued by women? What persons are, by law, considered incompetent to make a contract? Can a note be collected if obtained by fraud or from a person in a state of drunkenness? What is a joint note? How should the makers of a joint note be sued? What is a joint and several note? What is the distinction between a joint note and a joint and several note? What effect has an alteration of a bill or note, after it has once been issued, upon it?

What is the drawer's undertaking in a Bill of Exchange? What is the duty of the payee, if the bill remain in his possession? What is the acceptor's undertaking? How is the acceptor's liability discharged? What is an indorsement? Name five different forms of indorsement and give an example of each. If a note endorsed by several parties be dishonored, against whom has the holder a right of action? If the note be paid by the first endorser, to whom must he look for the recovery of the amount? Has the first indorser, under any circumstance a right of action against the subsequent indorsers? What is the object of the several forms of indorsement? What is the distinction between negotiable, and non-negotiable paper? In what way is negotiable paper transferred in order to give the holder the right of action?

Is it necessary to present a bill for acceptance? What is understood by a bill being honored and dishonored?

Why is it necessary to give notice of a bill being dishonored? What is necessary in order to hold the indorser of a bill or note? When is a note

drawn on demand or without a specified time, payable? If a note is dishonored how should notice be given? Has the party paying a bill or any other debt a right to demand a receipt?

Under what circumstances may interest be collected on a note? How many years has a note or other debt to run before it becomes outlawed?

Can a lost bill or note be recovered, under any circumstance? Name some of the different papers used in business aside from bills and notes. Define some of these papers. What is a CHATTEL NOTE? Give forms of chattel notes? If a receipt be given in mistake, does it necessarily bind the giver? Give the different forms of receipts. Name the different forms of time drafts. What is necessary before a draft becomes the obligation of the person on whom it is drawn?

In what cases are sight drafts used? What form is adopted in accepting a draft? Is the date of acceptance required? Give forms of sight draft and time draft? What is a check and wherein do they differ from bills of exchange?

What is a due bill? Give forms of due bills. What is an order? Give forms of orders. How should a bill be receipted, (*see* "*Bill Receipted*" *page* 174)? What is necessary to make a legal seal? Define the following terms used in connection with a will: *Testator, Donee, Legatee, Devisee, and Executor.* How many subscribing witnesses does a will require? Where should the signature of the testator be placed? What effect has the marriage of the testator upon a will? What is said of a will made by a person under twenty-one years of age?

CORRESPONDENCE.

In all composition, *three* things require attention:—the thoughts, their arrangement, and the language employed.

Of all species of composition, letters are the most universal and important; yet, among the millions written annually, how few could bear criticism? Errors in spelling, grammar, penmanship, and arrangement, are generally attributed to haste, which is considered as ample apology for every fault; when, in reality, the writer is not qualified to write a letter correctly under the most favorable circumstances.

In no way can a person so commend himself to the favorable regard of others, or impart to them so just an idea of his mental qualities as by writing.

Says Lord Collingwood: "When you write a letter give it your greatest care, that it may be as perfect in all its parts as you can make it. Let the subject be *sense* expressed in the most plain intelligible and elegant language which you can command. If, in a familiar epistle, you should be playful and jocular, guard carefully that your wit be not sharp so as to give pain to any person; and before you write a sentence, examine it, that there be nothing vulgar or inelegant therein. Remember that your letter is a picture of your mind, and those whose minds are a compound of folly, nonsense and impertinence, are to blame to exhibit them to the contempt of the world, or the pity of their friends. To write a letter with negligence, without stops, with crooked lines, and great flourishes, is ineligant. It argues either great ignorance of what is proper, or great impudence toward the person to whom it is addressed. It makes no amends to add an apology for having scrawled a sheet of paper, for bad pens, because you should have good ones; or want of time for nothing is more important to you, or to which your time can more properly be devoted."

The essential requisites of any letter are: first, correct Spelling; second, legible Writing; third, good Grammar; and fourth, proper Arrangement.

1. Correct Spelling.—Correct spelling is a very rare accomplishment among the majority of people.

Perhaps there is no part of our education, the neglect of which receives so little charity as this. Yet, when we look for that system of classification and application of general rules and principles in this, which is found in every other branch of study, we find that *exception* soon becomes the rule, and the pupil is obliged to rely upon memory and unremitting practice for the orthography of almost every word.

We Spell only When we Write.—Therefore, spelling is best acquired by constant practice in copying from good authors, writing from dictation, or composing and correcting original essays. These exercises are, at the same time, an efficient training in penmanship and grammar.

Copying from a printed page should form a daily exercise, until entire pages can be correctly transcribed from dictation. Such an exercise gives practice in reading, translation, spelling, punctuation, and the use of capitals. It also cultivates a habit of accuracy in transcribing, which is a most desirable acquisition.

It is safe to predict that not one in fifty, who have never attempted it, can copy an entire page without a mistake. Let those who doubt try it.

2. Penmanship.—Penmanship is to a letter what dress is to the appearance of an individual; and no one can deny the deciding influence of dress. Nor does the attire of a gentleman become him less because knaves and fools sometimes assume the same. Never apologize for bad penmanship, especially where it is habitual. It is far from refreshing to the recipient to read such uninteresting common places. Either write respectably, or submit to such reflections as your bad writing must inevitably suggest whether excused or not. Culpable indifference, laziness, or, to speak a little more mildly, indolence or downright carelessness, are, in nineteen cases out of twenty, the only obstacles, in the way of a good, fair, legible handwriting.

A little earnestness, industry, carefulness and perseverance, will overcome all difficulties. Elegant penmanship is not the subject here proposed; but a good, readable, business handwriting.

In accomplishing this, three essential particulars must be observed, viz: *Legibility, Uniformity and Spaces.*

3. Grammar.—Remember, letter writing is *talking on paper;* but we must talk on paper more carefully than many of us are accustomed to talk with the voice. In common conversation, redundancies, bad grammar, and inelegant expressions, if they do not pass unobserved and uncriticised, may at least be excused and soon forgotten; but in a letter they remain permanent witnesses against us. Make it a rule never to commit to paper expressions you would be ashamed to acknowledge should they confront you afterward. If spoken vulgarisms are bad, what shall we say of such expressions put upon paper and sent to one's friend? Think of the letter you are writing as a record which may be preserved by your friends long after you have ceased to be among them; and commit nothing to the permanence of ink and paper that can possibly throw a shade upon your memory.

4. Arrangement.—In all letters, whatever be their class or subject, attention must be paid to certain conventional forms for arranging the several parts of which they are composed.

Every letter is regarded as consisting of six essential parts: 1. The location and date. 2. The name and address of the person to whom it is written. 3. The complimentary address. 4. The body of the letter. 5. The complimentary closing. 6. The signature of the writer.

The location and date should both be written on the same line, near the *right* upper corner of the sheet. The name and title of the person to whom it is addressed follow, on the next line below, near the *left* side of the sheet, and the address on the line underneath. The complimentary address follows on the line below the address, ending near the *middle* of the sheet.

The body of the letter should be commenced very nearly under the last letter of the complimentary address.

The style of complimentary closing should stand very nearly under the last letter of the body; and the signature very nearly under the last letter of the complimentary closing, as illustrated in the following customary

FORM OF A LETTER.

(Location and Date.)

BELLEVILLE, Nov. 1st, 1874.

(Name and Title of the person addressed.)

JOHN SMITH, ESQ.,

(Address.)

PICTON, ONT.

(Complimenary Address.)

Dear Sir:

(Body of the Letter.)

We respectfully call your attention to our statement of account rendered October 1st, a settlement of which at your earliest convenience will greatly oblige,

(Complimentary Closing.)

Yours respectfully,

(Signature.)

W. A. ROBLIN.

PUNCTUATION.—It is not intended to give in this place *rules* for punctuating; but to furnish the student with a few examples, and such as, it is believed, the best usage sanctions. It may be proper to remark, however, that there is a discrepancy between the English and American style of punctuating the beginning of a letter; but they differ only in the point placed after the *names*, before the address; the English placing a period there, which implies that they regard the name or names, grammatically, in the third person, and consequently no part of the address.

Strictly speaking the names and words of respect, whether written at the beginning or at the end of a letter, are no part of the address proper, except so far as they show who are addressed.

The names and address have this connection and no other. Grammatically, the names to be addressed are in the third person, governed by the preposition *to* understood, and should be followed by a period. The address, as *Dear Sir, Gentlemen, &c.*, are in the second person in the nominative case, independent, and should be followed by a colon, or its equivalent; as, *Dear Sir :—Gentlemen :*—etc.

The language of the names and words of respect is elliptical, and, supplying the words omitted, but understood, it would read in a single name as *John Smith, Esq.*, Toronto, Ontario, when written in full thus: *This letter is addressed to John Smith, who is an Esquire, and resides in the city of Toronto, in the Province of Ontario.*

When thus written out in full no question can arise as to the punctuation.

No. 1.

John Clark, Esq.,
Toronto, Ont.

Dear Sir,—

No. 2.

Messrs. Jones & Brown,
Montreal, P. Q.

Gentlemen,—

3.

Hon. Robert Read,
Belleville, Ont.

Sir,—

No. 4.

Drs. Dorland & Clapham,
Belleville, Ont.

Gentlemen :—

No. 5.

Mrs. John Smith,
Montreal, P. Q.

Madam,—

No. 6.

Rev. Dr. S. S. Smith,
Hamilton, Ont.

Rev. and Dear Sir,—

No. 7.

Col. James Brown,
Ottawa, Ont.

Dear Colonel,—

No. 8.

Prof. J. H. Palmer,
Prin. Albert University,
Belleville, Ont.

Dear Sir :

If the title *Mr.*, *Messrs.* or *Mrs.* be used, the period must be suffixed, to show that it is an abbreviation of a word for which it stands. *Mess.* should never be used for *Messrs.* It is in bad taste. It is but an abbreviation *of* an abbreviation.

If you cannot afford to write *Gentlemen* or *Sir* in full, omit them altogether. Never write *Gent.*, nor *Gents.*, nor *Sr.* for *Sir.* Although *Gent.* is used occasionally, and even justified by good authority, it is abrupt and often offends. Never write *Dr.* for *Dear*, before *Sir.* Your correspondent will hardly believe himself very dear to you, if you cannot afford to write so short a word in full.

A few remarks under each of the foregoing parts will serve to develope all the important features relating to an ordinary letter.

Margin.—On the left of your page there should be given a liberal margin of, say, three-quarters of an inch, or a little more, with which the writing is not to interfere.

If any one thing makes a letter look mean and stingy, it is a narrow margin at the left; and if any one thing stamps the writer as a careless sloven, it is an unequal, zigzag margin.

Location and Date.—The location and date at which a letter is written is one of its most important parts. The whole legal bearing of any letter, may be destroyed by the omission of this essential part; you cannot be too careful in stating it correctly and fully.

In writing from any place, care should be taken to mention the Province and generally the County, as there may be more than one post office of the same name in Canada.

The order in which the words of the location and date are written varies somewhat. For instance, English letter writers generally place the day before the month, as: 1st Jan., instead of Jan. 1st.

The former is the most natural arrangement, but custom in this country generally favors the latter.

Name and Title.—1. Names. The first name of a person as: *William*, *Robert*, *Jane*, *Mary*, &c., is called the *Christian* name; while the last, as: *Brown*, *Smith*, *Wilson*, &c., is called the *Surname.*

In addressing letters to persons, it is always best to use the same form as that adopted in their own signature, with the addition of the proper title.

When father and son have both the same name, *Robert Jones*, for instance, the father is addressed as Robert Jones, Sr., or Senior, meaning *older*, and the son as Robert Jones, Jr., or Junior, meaning *younger.*

There has grown up, in this country, an array of titles and addresses, which, though perhaps not so numerous or cumbersome as those of Europe, are nevertheless, garded as strictly from violation by the laws of etiquette. Many of these titles, or expressions of respect, are clearly traceable to their foreign origin. For exmaple *Mr.* from *Master; Mrs.* from *Mistress; Miss* from the French *Demoiselle; Esq.*, from *Esquire*, is a very common title of respect in this country and in the United States. It is perverted from its original signification and applied almost indiscriminately to all classes of males. Originally a title of respect, it now signifies just nothing at all. Yet its omission might, in some cases, give offence, though the person addressed could lay no claim to it.

In England, several hundred years ago, there were five classes of dignitaries to whom this title belonged, viz:

1. The oldest sons of knights, and *their* eldest sons in perpetual succession.

2. Such as were created Esquires by the King's letters patent, and their eldest sons.

3. The eldest son of younger sons of peers, and their eldest sons in perpetual succession.

4. Such as were Esquires by virtue of their offices, as justices of the peace, and others who bore any office under the crown.

5. Later than the origin of these classes, and, it is said by usurpation, the members of the legal profession were universally recognized by this title. But they have enjoyed it so long that it has become, both in England and this country, an established distinction.

The word *gentleman* was originally significant of wealth and education, and that the bearer of the title was able to live in idleness, or, at least, without personal exertion to support himself. The historic significance of the term was long since lost through its indiscriminate application to all men, whether boors and rowdies, or persons of culture and refinement.

When a word becomes applicable to all men, it necessarily ceases to be in any sense complimentary.

This is precisely the condition of the two words *Esquire* and *Gentleman*, as used in this country, in business or other correspondence.

Titles may be divided into two classes, viz: Titles of respect, as: Mrs., Miss, Mr., Esq., &c., and professional titles, as Dr., Rev., L. L. D., &c.

As a general rule two titles of the same class should not be applied to the same name. "Mr. Wm. Brown, Esq." should be either "Mr. Wm. Brown" or "Wm. Brown, Esq." The first is preferable. If the profession of the person is known to the writer, the professional title alone should be used. Where there are two or more professional titles applicable to the same individual, the highest should be used in preference to the other.

Custom places mere titles of respect (except Esq.) *before* the name, which is not uniform in the application of professional titles, some preceding and others following it. For instance, Dr., Rev., Hon., and military titles should *precede* the name, while M. D., A. M., L. L. D., &c., should follow it. It is considered more respectful to write tities of high rank in full, than to abbreviate them.

Address.—The address of the person to whom you are writing should always be upon the sheet containing the body of the letter, so that, in case the letter becomes separated from the envelope, it may not be lost for want of direction. Custom has of late favored placing both the name and address at the head of the letter instead of at the close, as formerly.

This arrangement appears more sensible, as in case it is received by the wrong person through mistake, it can be discovered before reading the letter through.

This plan also facilitates addressing the envelopes when several letters are written at the same time.

Complimentary Address.—In writing to a gentleman with whom you have little or no acquaintance, the address should be simply "Sir;" if you are on familiar terms "Dear Sir" may be used. "My Dear Sir" implies still greater intimacy.

In addressing a lady not a relative, "Madam" or "Dear Madam" may be used according to the degree of intimacy. Unmarried ladies are addressed as "Miss," "Dear Miss," "Dear Mary," and so forth, according to the degree of intimacy.

In addressing a firm, or association of individuals comprising a Committee, Board of Trustees, or other body, "Gentlemen," or "Ladies" should be used according to the sex of those comprising it.

Body of the Letter.—The body of a letter should be made up of paragraphs. Every change of subject should be indicated by commencing a new paragraph to the left of the middle of the sheet, and about an inch farther to the right than the other lines. The opening paragraph should always be short, and unfold, if possible, the object of the letter. If it is a reply, it should announce the receipt and date of the letter to which it is an answer, and should give a brief statement of its subject matter, that all cause for misapprehension may be explained or removed, thus:

"Your favor of the 1st inst., relating to the sale of your pens in this city is received, &c.

If the letter is one of business, or inquiry, dispose of that first; and unless on familiar terms never introduce other matters. If the letter is to be short, it should be commenced so as to leave an equal space above and below.

No error is more frequent among beginners than the use of the small *i* instead of the capital *I* in writing of themselves. This pronoun is of frequent occurrence in letter-writing and such a display of ignorance should be carefully guarded against.

The first letter of every sentence, title, proper name, or adjective derived from it, every name applied to the Deity; every quotation of the words of another; every line in poetry; the words I, O, and Oh, the days of the week, months of the year, and the principle words in rules and headings, should be capitals.

The names of the seasons should not be commenced with a capital letter.

The tendency among beginners is to use too many capitals, especially if the writer prides himself on his dexterity in making them. Except in one of the cases above enumerated, or when in doubt, use a small letter.

Do not begin a sentence till its wording is clearly fixed in the mind. Never add clause after clause, loosely linked on with "ands" and "buts," till you are led to say what you do not mean, instead, of having expressed the thought intended.

Complimentary Closing.—The complimentary closing, like the complimentary address, usually consists of a phrase more or less formal in its character, regulated by the degree of familiarity between the parties. It generally consists of some such expressions as : "Yours truly," "Yours respectfully;" "Your sincere friend," &c.

The closing sentence of the body of the letter should be framed so as to connect smoothly with the complimentary closing, thus : "Hoping to hear from you soon, I remain,

Yours respectfully,

JOHN SHORY."

Signatures.—The importance of an appropriate signature is much greater than is sometimes supposed.

Different tastes will suggest different styles, such as the bold coarse hand, the condensed hand, back hand, fine hand, &c. ; but it matters little what style is chosen for ones signature, if it be suited to the sex of the individual and length of the name. The liability of being counterfeited should be carefully guarded against. To this end, the signature once adopted should not vary, so that continual repetition may give to it a character which would be difficult for an unpracticed hand to counterfeit. Some peculiarity of combination, or arrangement of the parts may be observed. When the temptation to counterfeit is great, as is the case with the signatures of persons in important offices, some private mark, likely to pass unobserved by the common eye, is frequently resorted to as a security against forgery.

Etiquette of Letter Writing.

In general, every letter requires a reply. It is as necessary to answer when written to, as when spoken to. Letters considered disrespectful or insulting should be returned at once, without a reply. Letters of business or courtesy should receive prompt attention.

Two persons should not write in the same letter, unless in family letters, or both persons are very intimate with the correspondent.

When ceremony is required, letters should be commenced a little above the middle of the first page, and if there is insufficient room to finish it on the first page, without bringing the signature too near the bottom, it may be finished on the inside of the sheet, on the *right-hand page.* In such cases there should be at least two or three lines of the body of the letter upon the next page.

It is considered impolite to write other than business letters on a half sheet of paper, therefore, unless from necessity, always use a whole sheet.

In letter writing, be particular and use a sheet, appropriate in size and style, to the purpose for which it is employed. For example, it would be considered bad taste to write a business letter upon colored note paper. The judicious selection and use of paper should be carefully attended to. Envelopes should be either buff, white or some other *plain* color, and quite thick. Avoid all fancy patterns and colors.

Postscrips are sentences inserted after the body of the letter is finished, They indicate either haste or thoughtlessness, and should in general, be avoided. Writing around the margin of a letter should likewise be avoided.

Letters of recommendation or introduction should not be sealed, when intended to be delivered by the person to whom they relate, as he ought to know the contents.

Folding.—The folding of letters is a very simple operation. Whether the sheet be a single or a double leaf the process is the same, viz; 1. Turn over the bottom of the sheet till its edge lies upon the edge at the top, making a fold in the middle. 2. Bring the right end of the folded sheet to your body, and fold over about one third of the letter toward the top. 3. Finally reverse the ends of the sheet, and fold as much of the upper part in the opposite direction.

Superscription.—The superscription of a letter means the address of the person to whom it is sent, written upon the envelope inclosing it. The form of arrangement should correspond with the same address at the head of the letter.

Care should be taken that it is distinctly written. From neglect of this precaution, hundreds of letters are sent every month to the dead letter office. Commence the superscription a little above the middle, and to the left of the centre of the envelope, so as not to crowd upon the right edge or bottom.

Before writing the superscription ascertain if the envelope is right edge up. It is in this position when the part on which the gum is usually placed folds under *from* the *top* of the envelope. Never scratch or draw faint lines upon which to write the superscription.

STAMPING.—The customary spot for placing the requisite postage stamp, is on the right hand upper corner of the envelope.

For buisness letters use No. 5½ or 6 envelope, and observe the following

FORM OF SUPERSCRIPTION.

STAMP.

Henry H. Mundell, Esq.,
Hamilton,
Ont.

PARTICULAR LETTERS.

Letters are generally classed under two heads, viz: Letters of Business, and Letters of Friendship.

It is not our intention to treat of the latter, although the foregoing remarks apply to both classes, and limited space prevents our offering more than a few examples of the former.

LETTERS OF BUSINESS.—The characteristics of a business letter are *brevity* and *clearness*. Business letters are expected to be as brief as the subject will possibly allow. Unnecessary words are a waste of time to him who writes, and to him who is obliged to read them.

Few who have not had the actual experience can understand the labor of opening and reading fifty or a hundred letters; and when we consider that some large firms receive several hundred *daily*, whose contents must be read, and considered, frequently through the most shocking penmanship and grammar, we can imagine why letters filling a whole sheet, with business which should be dispatched in a dozen lines, are never read at all. In reading his correspondence, the man of business habits grasps not merely the meaning of words, but whole sentences at a glance, and extracts the important points of the letter, and object of the writer almost instantaneously.

Before commencing a business letter the writer should ask himself; 1. How many different *points* do I wish this letter to contain? 2. Can I embody all I wish to say upon each point in a single sentence? 3. If I cannot *how few sentences will suffice?*

After the letter is completed, the following questions should be answered : 1. Have I included all the points or subjects I intended to write about? 2. Are they expressed in a brief and clear manner? 3. Can the language be misconstrued.

The arrangement or form of a letter should be such as will answer clearly the three questions, which always arise on unsealing any letter. 1. *Where* is this letter from? 2. *Who* wrote it? 3. *What* does the writer want?

LETTERS OF INTRODUCTION.

A few words here may not be out of place in regard to letters of introduction. They are common, very common,—indeed, they are becoming quite *too* common. It may be feared that they are sometimes given without due reflection and discrimination, if not for the purpose of getting rid of disagreeable importunity and of shirking an intolerable nuisance.

There are certain well-known rules, founded on good sense, that ought always to guide, not only in regard to *letters* of introduction, but also in reference to giving *verbal* introductions.

1. You should never give such a letter to be used by one in whom you have not entire confidence.

2. Having this confidence in your friend, to whom you desire to extend a favor, do not impose upon him by giving a letter directed to one who is unworthy of *his* confidence. He may become a sufferer in consequence of it.

3. Never accept such a letter, and be the bearer of it, from a person in whom you have not full confidence. Your own character may be suspected on account of it.

4. Be sure that your own relations to the party to whom your friend seeks an introduction are such as to warrant you in giving the letter. Otherwise that friend may find himself in an awkward predicament.

5. If the letter is of a business nature, through which pecuniary credit is sought, be very careful what you write. Bear in mind that you may be held responsible before a court and jury for the contents of your letter.

6. Remember you have no right to thrust one of your acquaintances upon the attention of another, unless you are confident that it will prove mutually agreeable or advantageous.

Limited space prevents our offering more than a few forms of letters relating to business transactions of the most frequent occurrence.

The letters are not intended to be perfectly adapted to the wants of any business man. But taken in connection with the foregoing instructions, a few such letters may serve as general guides in the structure and literature of business epistles. The general tone, air, dress, modes of expression, complimentary terms, how to begin, how to close a letter, &c., &c., may be gleaned from them.

LETTER OF INTRODUCTION NOT INCURRING LIABILITY.

HAMILTON, Oct. 29, 1874.

MESSRS. DAVID TORRANCE & Co.,

MONTREAL.

Gentlemen:—This will introduce to you, the bearer, Mr. H. T. Wills, a merchant of good standing in this place, who wishes to confer with you on business, the nature of which he will himself explain.

Yours respectfully,

THOMAS SHITH.

LETTER OF INTRODUCTION, INCURRING LIABILITY.

LONDON, Oct. 26, 1874.

MESSRS. GEO. WINKS & CO.,

MONTREAL.

Gentlemen:—Allow us to introduce to you Mr. J. B. Ashley, a merchant of this place. You may consider us responsible for goods that he may purchase from you, to any amount not exceeding four thousand dollars, on condition that you notify us immediately should default be made in the payment therefor.

Yours truly,

JONES & BROWN.

INTRODUCING A FRIEND.

BELLEVILLE, Ont., Sept. 4, 1874.

HENRY BROWN, ESQ.,

HALIFAX, N. S.

Dear Sir,—This will introduce to you the bearer, Mr. W. E. Embury, who visits your city for the purpose of engaging in the Grocery business.

I have much pleasure in assuring you that he is a young man of strict, integrity, superior ability, and in every way worthy of your entire confidence.

Any assistance you may find it in your power to render him I will regard as a personal favor to myself, which I will be happy to reciprocate whenever an opportunity shall offer.

Yours very truly,
SAMSON SMITH.

The superscription on the envelopes inclosing letters of introduction, should be thus:—

Henry Brown, Esq.,
Halifax,
N. S.

Introducing
Mr. W. E. EMBURY.

ENCLOSING STATEMENT OF ACCOUNT AND REQUESTING A REMITTANCE.

TORONTO, Aug. 25, 1874.

MR. WM. SMITH,
COBOURG, ONT.

Dear Sir:—Your attention is called to the enclosed statement of account, showing balance in our favor of one hundred dollars.

As it is long past due an early remittance will much oblige,

Yours, &c.,
JAMES MANN & CO.

ANOTHER IN CASE SUCH AS THE ABOVE PROVES INEFFECTIVE.

TORONTO, Oct. 5, 1874.

MR. WM. SMITH,
COBOURG, ONT.

Dear Sir:—We again call your attention to the balance of your account, $100, still remaining unpaid. Your promises to remit have not been fulfilled. We trust your immediate attention to the matter will obviate the necessity of our referring to it again.

Yours. &c.
JAMES MANN & CO.

ANOTHER—A LAST EFFORT.

MR. WM. SMITH,
COBOURG, ONT.

Dear Sir:—Your attention is once more called to the balance of account, $100, still unsettled.

We expect a remittance of the same at once, otherwise we shall be compelled to use means to enforce collection. Trusting your prompt attention to the matter will render such a step unnecessary.

We remain,
Yours respectfully,
JAMES MANN & CO.

ANSWERS TO THE THREE FOREGOING LETTERS.

COBOURG, Aug. 29, 1874.

MESSRS. JAMES MANN & CO.,
TORONTO, ONT.

Gentlemen:—I am in receipt of yours of the 25th inst., containing statement of account, and have to apologize for my neglect to remit the amount due you—$100. Unavoidable circumstances have prevented my doing so. You may expect an early remittance of the same.

Yours, &c.,
WM. SMITH.

COBOURG, Oct. 9, 1874.

MESSRS. JAMES MANN & CO.
TORONTO, ONT.

Gentlemen:—I exceedingly regret that you have once more to remind me of my account remaining unpaid, and that unexpected disappointments have caused the delay. I shall certainly remit the amount before the 15th inst.

Yours, &c.,
WM. SMITH.

MESSRS. JAMES MANN & CO.,
TORONTO, ONT.

Gentlemen:—I cannot wonder at the tone of your last communication, as my conduct has been such as to justify the same. With this I remit the amount due you—$100, and much regret the long delay.

Please acknowledge receipt by return of mail and oblige,

Yours, &c.,
WM. SMITH.

NOTICE OF DRAFT, SENT TO DRAWEE.

BELLEVILLE, Sept. 14, 1874.

MR. WM. BROWN,
KINGSTON, ONT.

Dear Sir:—We have this day drawn on you through the Bank of Montreal, at ten days' sight, for the amount of your account as per statement enclosed. Please honor and oblige,

Yours respectfully,
S. G. BEATTY & CO.

ORDER FOR GOODS.

COBOURG, Oct. 19, 1874.

MESSRS. GEO. RITCHIE & Co.,

BELLEVILLE, ONT.

Gentlemen:—Please send to my address this place, the undermentioned articles, for which I will remit amount on receipt of bill:—

1 doz. Gents Linen Collars, "Magdala," size 15½in.
1 " White Neckties.
1 " pairs White Kid Gloves, "Alexandres;" sizes—6 & 6¼.
1 " " " " " " 7½ & 8¾.

Yours truly,

J. WILSON.

ORDER FOR GOODS.—NO. 2.

PORT HOPE, Oct. 10, 1874.

MESSRS. ALEX. URQUHART & Co.,

MONTREAL, Q.

Gentlemen:—Please forward to our address per G. T. R. Freight Express, upon usual terms.

Five (5) half Chests, Young Hyson, "Benefactor" No. 42.
Three (3) " " Unc. Japan, "P. B. 132," or similar.
Two (2) Bags S. S. Almonds.
One (1) Case Eleme Figs (new.)

and oblige

Yours &c.,

PETER COOPER & CO.

REPLY TO ABOVE.

MONTREAL, Oct. 14, 1874.

MESSRS. PETER COOPER & CO.,

BELLEVILLE, ONT.

Gentlemen:—Enclosed find invoice and bill of lading of goods shipped you this day as per your valued order of the 10th, also draft to our order for the amount, which please accept and return at your earliest convenience.

Trusting the goods will reach you in due season and prove satisfactory, and awaiting your further orders. We remain,

Yours &c.,

ALEX. URQUHART & CO.

RESPECTING GOODS NOT BEING SO GOOD A QUALITY AS ORDERED.

BELLEVILLE, Oct. 24, 1874.

MESSRS JOS. McKAY & BRO.

MONTREAL,

Gentlemen:—We are in receipt of the goods ordered by us through your Mr. Williams.

Upon examination of the Five pcs. Broadcloth, (No. 4,732,) we find the quality much inferior to sample, and in our estimation worth 25 cents per yard less than Invoice price. Shall we retain them at our figures or return?

Yours etc.,

J. A. MOORE & Co.

REPLY TO ABOVE—NO 1.

MONTREAL, Oct. 24, 1874.

MESSRS. J. A. MOORE & CO.

BELLEVILLE, ONT.

Gentlemen:—Your favor of the 24th is received. It surprises us to learn that the Five pieces of Broadcloth, (No. 4,732,) do not prove satisfactory in regard to quality, as we supposed them to be fully equal to sample.

We are willing to accept your estimation of their value however, and have passed the difference to your credit,

Yours &c.,

JOS. McKAY & BRO.

ANOTHER.

MONTREAL, Oct. 31, 1874.

MESSRS. J. A. MOORE & CO.,

BELLEVILLE, ONT.

Gentlemen:—Your favor of the 29th is before us. We regret to learn that the 5 pcs. Broadcloth, No. 4,732, are not satisfactory, as we believed them to be fully equal to the sample. The present value of the goods in this market will not allow us to make the reduction you speak of. Should you not wish to retain them at invoice price, please hold them subject to our order and oblige,

Yours respectfully,

JOS. McKAY & BRO.

RESPECTING DIFFERENCE OF WEIGHT IN TEAS.

WHITBY, July 21, 1874.

MESSRS. SMITH, BROWN & CO.,

MONTREAL.

Gentlemen:—In checking over the Teas purchased from you on the 16th inst. by our Mr. Brown, we find the 5 Hlf. Chests Y. Hyson, "Benefactor 42," to be deficient in weight 11 lbs., as per statement below. We claim allowance for the same, and have passed the amount ($8.25) to your debit.

Yours respectfully,

JONES & BROWN

ADVICE OF SHIPMENT.

BELLEVILLE, Oct. 18, 1874.

MR. H. M. ALEXANDER,

MONTREAL.

Dear Sir:—We have this day shipped to your address, 100 Kegs Butter, as per Invoice enclosed, to be sold on our account. The quality is choice, and we have no doubt it can be disposed of at good figures.

Yours truly,

ASHLEY & CO

ANOTHER—ON JOINT ACCOUNT.

BROCKVILLE, Oct. 18, 1874,

MESSRS. FLETCHER & CO.,

MONTREAL.

Gentlemen:—Your favor of the 10th inst., came duly to hand. We accept with pleasure your offer to join in a shipment of Flour, and inclose invoice and shipping bill of 100 bbls. Corby's Extra Superfine, forwarded to your address this day per Str. *St. Helen*, and have drawn on you at 10 days' sight for one-half Invoice ($250) as requested.

Trusting that the adventure will prove of mutual advantage, we are,

Yours very truly,

W. C. NUNN & CO.

ENCLOSING ACCOUNT SALES.

MONTREAL., Oct. 25, 1874.

MESSRS. ASHLEY & CO.,

BROCKVILLE, ONT.

Gentlemen:—Enclosed please find account sales of your shipment of the 18th inst., also sight draft on Messrs. Beatty & Wallbridge, of your town, for net proceeds, Twelve Hundred Dollars.

Trusting that the result will prove satisfactory and soliciting further shipments, which at all times shall receive best attention, I remain,

Yours very truly,

H. M. ALEXANDER.

ANOTHER.

MONTREAL, Oct. 28, 1874.

MESSRS. W. C. NUNN & CO.,

BROCKVILLE, ONT.

Gentlemen:—Enclosed we hand you account sales of your shipment of the 18th inst., on joint account. Your net proceeds, $385, have been passed to your credit as averaging due Nov. 15th.

We feel satisfied the result will prove satisfactory, and shall be pleased to join you in other shipments of a similar kind.

Yours very truly,

A. FLETCHER & CO.

ORDER FOR GOODS.

BELLEVILLE, Oct. 29, 1874.

MESSRS. G. C. HOLTON & Co.

Gentlemen:—Please deliver to Mrs. Jones, goods such as she may select, to the amount of Five Dollars, and charge the same to my account

JOHN JOHNSON.

ENCLOSING ADVERTISEMENT.

PICTON, Nov. 5, 1874.

EDITOR "INTELLIGENCER."

Dear Sir:—Please insert the enclosed advertisement, to occupy forty lines, for three months in weekly addition, commencing in next issue. Will remit amount on receipt of bill.

Yours etc.,

JONES & BROWN.

MONTREAL, Oct. 20, 1874.

MESSRS. J. & W. CAMPION.

Gentlemen:—Mr. Henry Smith, is an applicant for a vacancy in our office, and refers to you (as late employers) respecting his character and ability. Will you please favor us with any information that you can give about him, and greatly oblige,

Yours respectfully,

BROWN, WHITE & Co.

CIRCULAR LETTER—ENCLOSING PRICE LIST.

Dear Sir:—By this post, we forward you our Illustrated Price List of portmanteaus, carpet bags, &c., and shall feel obliged by your perusing the same. On comparing it, you will find the prices very much lower than those previously sent. Any orders entrusted to our care shall meet with the best attention, both as to quality and dispatch. Trusting to have a continuance of your favors, we are,

Your most obedient servants,

J. LYONS & SON.

LETTER OF AUTHORITY TO SIGN BUSINESS PAPER.

BELLEVILLE, June 1, 1874.

Sir:—I have this day authorized my Accountant, Mr. James B. West to sign my name to Promissory Notes, Checks and Drafts; also, in like manner, to use my signature in accepting Orders, Drafts and Bills of Exchange; also, in endorsing Promissory Notes, Checks, Drafts and Bills of Exchange.

Very truly yours,

TO THE MANAGER OF THE BANK OF MONTREAL,
BELLEVILLE, ONT.

JOHN A. MILLER.

The above authority must be strictly observed in form and extent, otherwise the validity of the act may be endangered.

ACKNOWLEDGING RECEIPT OF SHIPMENT.

HAMILTON, Nov. 1, 1874

MESSRS. JOHN JONES & CO.,

NAPANEE.

Gentlemen:—We have this day received, per G. T. R. freight, 500 bbls. Flour, in good order, consigned to us to be sold for your acc't and risk, as pr. your Invoice of the 13th inst.

As prices are rising, we think it advisable not to push it upon the market at present, but shall endeavor to seize the most favorable opportunity for effecting sales to advantage.

Very respectfully,

Your ob't servants,

THOMAS HARVEY & CO.

TORONTO, Nov. 4, 1874.

MESSRS. JONES & BROWN,

MONTREAL, P. Q.

Gentlemen:—Your reply to our proposition to unite in a Company speculation of Mdse., to be sold at Kingston, came to hand on the 1st inst., and in accordance therewith, we have this day shipped 2,000 Sacks Coffee, as per invoice enclosed, and consigned them to you to be sold for your and our acct. jointly. One-half of the invoice we have charged to your acc't, in accordance with the terms of our agreement.—Am't $4,483.11.

A portion of the sugars consigned to us for joint acc't of yourselves, Smith & Co., and ourselves, have been advantageously sold, and there is prospect of another sale soon.

Hoping this new adventure may prove for our mutual benefit,

We remain, gentlemen,

Very respectfully, yours,

DIAMOND & DAME.

QUESTIONS FOR REVIEW—CORRESPONDENCE.

What three things require attention in all composition? What are the essential requisites of any letter? How is correct spelling best acquired? Should an apology, for bad penmanship, be inserted in a letter? Of how many essential parts does a letter consist? Name them. How should the beginning of a letter be punctuated? What is said of abbreviating the complimentary address? How large a margin should be left at the head of the page of a letter? What is said of a narrow zigzag, margin? In what

order should the location and date be placed? What is the meaning of Esquire? When does a word cease to be complimentary? Into how many classes are titles divided? Name them and give examples? Why should the address be placed on the sheet containing the body of the letter? How should the complimentary address be written in order to suit different degrees of familiarity. When should capital letters be introduced? Why is it important to adhere to a particular signature? What are postscripts? How should a business letter be folded? How should the superscription of a letter be written?

Under how many heads are letters generally classed? What are the characteristics of a business letter? What questions should the writer ask himself before commencing a business letter? What questions should be answered after the letter is completed? Name the rules by which a person should be guided in giving a letter of introduction. How should the envelope enclosing a letter of introduction be superscribed?

PRACTICAL COMPUTATIONS.

It is not our purpose, in the small space we have to devote to the subject of Arithmetic, to present anything more than a few rules, on different subjects, that will be found practical to every business man.

By the tables, as given in most of our school arithmetics, numeration is carried only to six places, or quadrillions, running up by terms derived from the Latin numerals.

A series of units of that extent would be beyond the power of man to comprehend, or even imagine. Even millions convey a very indefinite idea, and when it rises to billions, the mind can no longer grasp the number; and though we may *read* the expression, it is very much as we read sentences in an *unknown language*. We may perhaps assist the mind of the student by some little calculation. We often see *millions* spoken of in national expenditures; but the majority of people do not even imagine the extent of the number. If a man were to count fifteen hundred dollars an hour, and work faithfully eight hours a day, it would take him nearly three months to count a *million* of dollars; and if the dollars were bank bills, laid in a straight line, they would reach over one hundred and ten miles.

Dr. Thompson, Professor of Mathematics, at Belfast, Ireland, very justly remarks: "Such is the facility with which large numbers are expressed, both by figures and language, that we generally have a very limited and inadequate conception of their real magnitude. The following consideration may perhaps assist in enlarging the ideas of the student on this subject:

"To count a *million*, at one per second, would require between twenty-three and twenty-four days, of twelve hours each.

"The seconds in six thousand years are less than one-fifth of a *trillion*. A *quadrillion* of leaves of paper, each the two-hundredth

part of an inch in thickness, would form a pile the height of which would be three hundred and twenty times the distance of the moon from the earth. Let it also be remembered that a *million* is equal to a thousand repeated a thousand times, and a *billion* equal to a million repeated a thousand times."

ADDITION.

Skill in Addition is the foundation of readiness and accuracy in arithmetical computations; and this skill is to be acquired only by practice and careful attention to the principles and combinations of numbers. A clear head, quick perception and proper cultivation, are the essential qualifications to insure success. With these any one may place himself in the rank of experts.

Those who have already learned the rudiments of arithmetic will need, under this head, nothing more than a few practical hints. First, it is important to observe that every operation should be simplified as much as possible. The mind should be disencumbered of the clogs imposed by the school-boy rules and trained to arrive at results in the most direct and rapid manner. Even the thought of *words* ought to be banished.

To aid in acquiring facility and accuracy in adding short columns of figures, the following is considered the best process:

346
534
657
436
258
632

2863

Commence at the right hand column, and add thus: 10,23,33; carry the three tens to the next column and add: 11,19,26; carry the two hundreds to the next and add: 10,20,28.

In this way you name the sum of two or three figures at once with quite as much ease as you would add one figure at a time. Never permit yourself to add up a column in this manner: 2 and 8 are 10, and 6 are 16, and 7 are 23, and 4 are 27, and 6 are 33. It is just as easy, after a little practice, to name the result of two or three figures at once, and the addition can be performed at least in one quarter of the time.

ADDITION OF LONG COLUMNS OF FIGURES.

In account books long columns of figures frequently occur, and in order to add them with certainty, and, at the same time, with ease and expedition, the following method is recommended.

EASY METHOD OF ADDITION.

Commence at the bottom and add as near 20 as possible, thus: $9+2+4+3=18$; place a small 8 to the right of the 3, as in example; commence next at 6 and add $6+4+8=18$; place a small 8 to the right of the 8; commence at $6+4+7=17$; place a small 7 to the right of the 7; commence at 4 and add $4+9+3=16$; place a small six to the right of the 3; commence at 6 and add $6+4+7=17$; place a small 7 to the right of the 7; having now reached the top of the column, add the small figures in the column thus: $7+6+7+8+8=36$; place the right-hand figure of 36 under the original column as in example, and add the left-hand figure to the number of figures in new column, thus the left-hand figure in 36, plus 5 the number of figures in the new column stands $3+5=8$; prefix the 8 to the 6 under the original column and you have 86, the sum of the column.

7	7
4	
6	
3	8
9	
4	
7	7
4	
6	
8	8
4	
6	
3	8
4	
2	
9	
86	

If, upon arriving at the top of the column there should be one or more figures whose sum does not equal 10, add them to the sum of the figures in the new column, never placing an extra figure in the new column unless it be excess of units above ten.

REASON FOR THE ABOVE METHOD.

In the example it will be noticed that every time we placed a figure in the new column we discarded a 10, and when we set down 6 in the answer we discarded three tens; hence we add the 3 to 5, the number of tens discarded in forming the new column and we have 8 for the tens place in the answer; on the same principle we might add between 20 and 30 always setting down a figure before adding as high as 30; then for every figure in the new column count 2 tens.

ADDITION OF TWO OR MORE COLUMNS.

For the addition of two or more columns, begin the same as in the preceding example, after obtaining the sum of the first column place the right-hand figure under the column and carry the remaining

figures to the next column and proceed as before, and so on with any number of columns; thus, in the adjoining example, begin and add 2+3+5+8 = 18; place a small 8 to the right of the 8; commence and add 6+7+2 = 15, and so on until you reach the top of the column, next add the figures in the new column together with the 4 at the top, (which was not included in the first addition it being less than ten,) and you have 30, place the 0 under the original column, add the 3 to the number of figures in the new column and you have 70 for the sum of the column, now add the 7 to the next column and proceed as before, placing the small integers to the left; after having completed the addition of the column, add together the figures in the new column thus 7+6+5+7 = 25; place the 5 under the tens column and add the 2 to the number of figures in the new column thus 2+4 = 6; put this in hundreds place, and you have the addition completed.

	$^{7}24$
	26^{6}
	37
	43
	64^{7}
	$^{5}25$
	78
	62^{5}
	$^{6}47$
	36
	28^{8}
	75
	$^{8}73$
	42
	660

This method of addition should be used only in adding very long columns of figures where the footings amount to two or three hundred and upwards, in which case it is very superior on account of its accuracy.

MULTIPLICATION.

The process of multiplication may be greatly facilitated in many instances by a little observation and study; for instance where there are two numbers to be multiplied together, each of which consists of two figures, we have the following,

RULE.—*Set one of the numbers under the other in the form of multiplication. Multiply the unit figure of the multiplicand by the unit figure of the multiplier. Set down the units of the result and reserve the tens to be added to the next product; next multiply the tens figure of the multiplicand by the units figure of the multiplier, and add to the product the figure reserved from the preceding multiplication; then multiply the units figure of the multiplicand by the tens figure of the multiplier; add these two results together, set down the units figure of their sum reserving the remaining figure or figures to be added to the next product; now multiply the tens figure of the multiplicand by the tens figure of the multiplier and to their product add the number held in reserve, place the result to the left of that part of the product previously found and the multiplication will be completed.*

EXPLANATION.

Multiply the units of the multiplicand by the units of the multiplier, thus : $6 \times 3 = 18$; set down the eight as in example. Multiply the tens figure of the multiplicand by the units figure of the multiplier, thus—$5 \times 3 = 15$, to this add 1, the figure held in reserve from the first multiplication, which gives 16 ; next multiply the units figure of the multiplicand by the tens figure of the multiplier, thus—$6 \times 4 = 24$, to this add 16 and you have 40, place down the 0 and reserve the 4 ; next multiply the tens figures in each together, thus—$5 \times 4 = 20$, and to this product add the 4 held in reserve which gives 24 ; set down the whole number and the product is complete.

$$\begin{array}{r} 56 \\ 43 \\ \hline 2408 \end{array}$$

USEFUL CONTRACTIONS.

To multiply any number of figures by 11.

RULE.—*Write the sum of the figures between them.*

1. Multiply 36 by 11. *Ans.* 396. Here 3 and 6 are 9, which write between 3 and 6.

N. B.—When the sum of the two figures is over 9, increase the left hand figure by the 1 to carry. Multiply 68 by 11. *Ans.* 748.

To square any number of 9s instantaneously, without multiplying.

RULE.—*Write down as many 9's less one as there are 9's in the given number, an 8, as many 0's as 9's, and a 1.*

What is the square of 9999? *Ans.* 99980001.

EXPLANATION.—We have four 9s in the given number, so we write down three 9s, then an 8, three 0s and a 1.

To square any number ending in 5.

RULE—*Omit the 5 and multiply the number as it will then stand by the next higher number, and annex 25 to the product.*

What is the square of 85? *Ans.* 7225.

EXPLANATION.—We simply say, 8 times 9 are 72, to which we annex 25.

GENERAL RULE.

To multiply any two numbers to the nearest unit.

1*st. Multiply the whole number in the multiplicand by the fraction in the multiplier to the nearest unit.*

2*d. Multiply the whole number in the multiplier by the fraction in the multiplicand to the nearest unit.*

3*d. Multiply the whole numbers together and add the three products in your mind as you proceed.*

NOTE.—This rule is so simple and so true, according to all business usage, that every accountant should make himself perfectly familiar with its application. There being no such thing as a fraction to add in, there is scarcely any liability to error or mistake. By no other arithmetical process can the result be obtained by so few figures.

EXAMPLE FOR MENTAL OPERATION.

Multiply $11\frac{1}{3}$ by $8\frac{1}{4}$ by business method.

Here $\frac{1}{4}$ of 11 to the nearest unit is 3, and $\frac{1}{3}$ of 8 to the nearest unit is 3, making 6, so we simply say, 8 times 11 are 88 and 6 are 94.

$$\begin{array}{r} 11\frac{1}{3} \\ 8\frac{1}{4} \\ \hline 94 \end{array}$$

Answer

REASON.—$\frac{1}{4}$ of 11 is nearer 3 than 2, and $\frac{1}{3}$ of 8 is nearer 3 than 2. Make the nearest whole number the quotient.

A VALUABLE HINT TO MERCHANTS AND ALL RETAIL DEALERS IN FOREIGN AND DOMESTIC DRY GOODS.

Retail merchants, in buying goods by wholesale, buy a great many articles by the dozen, such as boots and shoes, hats, caps, &c. Now, the merchant in buying, for instance, a dozen hats, knows exactly what one of those hats will retail for in the market where he deals; and, unless he is quick at calculation, it will often take him sometime to determine whether he can afford to purchase the dozen hats and make a living profit in selling them by the single hat; and in buying his goods by auction, as the merchant often does, he has not time to make the calculations before the goods are cried off. He, therefore, loses the chance of making good bargains by being afraid to bid at random, or if he bids, and the goods are cried off, he may have made a poor bargain by bidding thus at a venture. It then becomes a useful and practical problem to determine *instantly* what per cent. he would gain if he retailed the hats at a certain price.

RAPID PROCESS OF MARKING GOODS.

To tell what an article should retail for to make a profit of 20 per cent. is done by removing the decimal point one place to the left.

For instance, if hats cost $19.40 per dozen, remove the decimal point one place to the left, making $1.94 what they should be sold for apiece to gain 20 per cent. on the cost. If they cost $21.00 per dozen, they should be sold for $2.10 each, etc. We take 20 per cent. for the following reasons, viz: because we can determine instantly, by simply removing the decimal point, without changing a figure; and, if the goods would not bring at least 20 per cent. profit in the home market, the merchant could not afford to purchase and would look for goods at lower figures.

Now, as removing the decimal point one place to the left, on the cost of a dozen articles gives the selling price of a single one with 20 per cent. added to the cost, and, as the cost of any article is 100 per cent., it is obvious that the selling price would be 20 per cent. more, or 120 per cent.; hence, to find 50 per cent. profit, which would make the selling price 150 per cent., we would first find 120 per cent., then add 30 per cent., by increasing it one fourth itself; to make 40 per cent., add 20 per cent., by increasing it one-sixth itself; for 35 per cent. increase it one-eighth itself, etc. Hence, to mark an article at any per cent. profit, we have the following

GENERAL RULE.

First find 20 per cent. profit by removing the decimal point one place to the left on the price the articles cost a dozen; then, as 20 per cent. profit is 120 per cent., add to or subtract from, this amount the fractional part that the required per cent. added to 100 is more or less than 120.

TABLE FOR MARKING ARTICLES BOUGHT BY THE DOZEN.

N. B.—Most of these are used in business.

To make	20	per cent.	remove	the point	one place	to the left.
"	80	"	"	"	and add	one-half itself.
"	60	"	"	"	"	one-third "
"	50	"	"	"	"	one-fourth "
"	44	"	"	"	"	one-fifth "
"	40	"	"	"	"	one-sixth "
"	35	"	"	"	"	one-eighth "

GENERAL RULES FOR CANCELLATION.

RULE 1ST. *Draw a perpendicular line; observe this line represents the sign of equality. On the right-hand side of this line place dividends only; on the left-hand side place divisors only.*

2d. *Notice whether there are ciphers both on the right and left of the line; if so, erase an equal number from each side.*

3d. *Notice whether the same number stands both on the right and left of the line; if so, erase them both.*

4TH. *Notice again if any number on either side of the line will divide any number on the opposite side without a remainder; if so divide and erase the two numbers, retaining the quotient on the side of the larger number.*

5th. *See if any two numbers, one on each side, can be divided by any assumed number without a remainder; if so, divide them by that number, and retain only their quotients. Proceed in the same manner as far as practicable.*

6th. *Multiply all the numbers remaining on the right-hand side of the line for a dividend, and those remaining on the left for a divisor.*

7th. *Divide, and the quotient will be the answer.*

SIMPLE INTEREST BY CANCELLATION.

RULE.—*Place the principal, time, and rate per cent on the right-hand side of the line. If the time consist of years and months, reduce them to months, and place 12 (the number of months in a year) on the left-hand side of the line. Should the time consist of months and days, reduce them to days or decimal parts of a month. If reduced to days, place 36 on the left. If to decimal parts of a month, place 12, as before.*

Point off two decimal places when the time is in months, and three decimal places when the time is in days.

EXAMPLE 1.—Find the interest on $850, for 6 months, at 7 per cent.; and for 15 months at 8 per cent.

ARRANGEMENT—7 PER CT.		ARRANGEMENT—8 PER CT.	
12	850	12	850
	6		15
	7		8
	$29.75 *Ans.*		$85.00 *Ans.*

Cancel and multiply and you will obtain the answer.

EXAMPLE 2.—Find the interest on $175 for 48 days, at 7 per cent; and on $364.50, for 19 days, at 6 per cent.

ARRANGEMENT OF FIRST.		ARRANGEMENT OF SECOND.	
36	175	36	364.50
	48		19
	7		6
	$1.63⅓ *Ans.*		$1.15425 *Ans.*

EXAMPLE 3.—Find the interest on $436, for 9 months and 18 days, at 7 per cent.; and $290 for 7 months and 14 days, at 6 per cent.

AERRANGEMENT OF FIRST.		ARRANGEMENT OF SECOND.	
36	436	36	290
	126		98
	7		6
	$24.416 *Ans,*		$10.826⅔ *Ans.*

NOTE.—If the principal contains cents, point off four decimal places when the time is in months, and five decimal places when the time is in days.

METHOD OF COMPUTING INTEREST ON ALL NOTES THAT BEAR $12 PER ANNUM, OR ANY ALIQUOT PART OR MULTIPLE OF $12.

If a note bears $12 per annum, it will certainly bear $1 per month; hence the time in months would be the interest in $; and the decimal parts of a month would be the interest in decimal parts of a $; therefore when the note bears $12 per annum we have the following:

RULE.—*Reduce the years to months, add in the given months, and place one-third of the days to the right of this number, and remove the decimal point one place to the left.**

EXAMPLE 1.—Required the interest on $200 for 3 years, 7 months and 12 days, at 6 per cent.

200
6
$12.00=int. for 1 yr.

⅓ of 12 days=4.

Yr. Mo. Da.
3 7 12=43.4 mo.

Hence $43.40 *Ans.*

We see by inspection that this note bears $12 interest a year. If this note bore $6 a year, instead of $12, we would take one-half of the above interest; if it bore $18, instead of $12, we would add one-half; if it bore $24, instead of $12, we would multiply by 2, &c.

EXAMPLE 2.—Required the interest on $150 for 2 years, 5 months and 13 days, at 8 per cent.

150
8
$12.00=int. for 1 yr.

⅓ of 13 days=4⅓

Yr. Mo. Da.
2 5 13=29.4⅓ mos.

Hence $29.43⅓ *Ans.*

We see by inspection that this note bears $12 interest a year hence the time reduced to months, with one-third of the days placed to the right, gives the interest at once.

EXAMPLE 3.—Required the interest on $160 for 11 years, 11 months and 11 days at 7½ per cent.

160
7½
$12.00 =int. for 1 yr.

⅓ of 11 days=3⅔

Yr. Mo. Da.
11 11 11=143.3⅔ mos.

Hence $143.36⅔ *Ans.*

*Remember the answer obtained by this rule is in dollars and decimals of a dollar. In the first example the years reduced to months and 1-3 the number of days placed to the right give 43.4, which reduced to dollars is $43.40.

When the interest is more or less than $12 a year.

RULE.—*First find the interest for the given time on the base of $12 interest a year; then, if the interest on the note is only $6 a year, divide by 2; if $24 a year, multiply by 2; if $18 a year, add on one-half, etc.*

EXAMPLE 1.—What is the interest on $300 for 4 years, 7 months, and 18 days, at 6 per cent.?

	⅓ of 18 days=6.
300	4 yr. 7 mo. 18 da.=55.6mo.
6	
$18.00—int. for 1 yr.	2)55.6, int. at $12 a yr.
$18=1½ times $12.	27.8
	$83,4, *Ans.*

If the interest was $12 a year, $55.60 would be the answer; because 55.6 is the time reduced to months; but it bears $18 a year, 1½ times 55.6 gives the interest at once.

EXAMPLE 2.—Required the interest of $150 for 3 years, 9 months and 27 days, at four per cent.

	⅓ of 27 days=9.
150	3yr. 9mo. 27da.=45.9 mo.
4	2)45.9 int. at $12 a year.
$6.00—int. for 1 yr.	$22.95 *Ans.*
$6=½ times 12.	

If the interest had been $12 a year, $45.90 would have been the answer; because 45.9 is the time reduced to months; but it bears $6 a year, or ½ of 12; hence ½ 45.9 gives the interest at once.

BUSINESS METHOD OF COMPUTING INTEREST, AT 6 PER CENT. FOR ANY NUMBER OF DAYS.

RULE.—*Draw a perpendicular line, cutting off the two right hand figures of the $, and you have the interest of the sum for 60 days at 6 per cent.*

NOTE.—The figures on the left of the line are $, and those on the right are decimals of $.

EXAMPLE 1.—What is the interest on $520 for 60 days at 6 per cent?

$520=the principal.
$5 | 20 cts.=interest for 60 days.

NOTE.—When the time is more or less than 60 days, first get the interest for 60 days, and from that to the time required.

EXAMPLE 2.—What is the interest of $424, for 15 days, at 6 per cent?

Days. Days.
15=¼ of 60

$424=principal.
4)4 | 24 cts.=interest for 60 days.

1.06 cts.=interest for 15 days.

EXAMPLE 3.—What is the interest of $114.40, for 90 days, at 6 per cent.?

Days. Days. Days.
90=60+30

$114.40=principal.
2)1 | 1440=interest for 60 days.
| 5720=interest for 30 days.

Ans. $1 | 716=interests for 90 days.

EXAMPLE 4.—What is the interest of $824, for 75 days, at 6 per cent.?

Days. Days. Days.
75=60+15

$824=principal.
4)8 | 24 cts.=interest for 60 days.
2 | 06 cts.=interest for 15 days.

Ans. 10.30 cts.=interest for 75 days.

REMARKS.—This system of Computing Interest is very easy and simple, especially when the days are aliquot parts of 60, and one simple division will sufice. It is used extensively by a large majority of our most prominent business men; and taught by Commercial Colleges as the shortest system of computing interest.

METHOD OF CALCULATING AT DIFFERENT RATES PER CENT.

First find the interest at 6 per cent, and from that any other rate per cent.

The following table shows the different rates., with the time that a given number of $ will amount to the same number of cents when placed at interest.

NOTE.—This is the method in common use for computing interest for days: but, since it considers the year as containing only 360 days instead of 365, the result is too large by $\frac{5}{365}$ or $\frac{1}{73}$ of itself. Hence, when perfect accuracy is desired, the interest for the days when obtained by the rule must be diminished by $\frac{1}{73}$ part of itself.

RULE.—*Draw a perpendicular line, cutting off the two right hand figures of $, and you have the interest at the following rates per cent.*

Interest at 4 per cent. for 90 days.
Interest at 5 per cent. for 72 days.
Interest at 6 per cent. for 60 days.
Interest at 7 per cent. for 52 days.
Interest at 8 per cent. for 45 days.
Interest at 9 per cent. for 40 days.
Interest at 10 per cent. for 36 days.
Intesest at 12 per cent. for 30 days.
Interest at 7-30 per cent. for 50 days.
Interest at 5-20 per cent. for 70 days.
Interest at 10-40 per cent. for 35 days.
Interest at $7\frac{1}{2}$ per cent. for 48 days.
Interest at $4\frac{1}{2}$ per cent. for 80 days.

NOTE.—The figures on the left of the perpendicular line are dollars, and on the right decimals of $. If the $ are less than 10 prefix a 0.

EXAMPLE 1.—What is the interest of $180 for 15 days at 4 per cent?

	Days.	Days.
$180=principal.	15=1-6 of	90.
6)1 | 80 cts.—int. for 90 days.		
| 30 cts.—int. for 15 days.		

EXAMPLE 2.—What is the interest of $182 for 13 days at 7 per cent?

	Days.	Days.
$182=principal.	13=$\frac{1}{4}$ of	52.
4)1 | 82 cts.—int. for 52 days.		
| $45\frac{1}{2}$ cts.—int. for 13 days.		

EXAMPLE 3.—What is the interest of $580 for 9 days at 8 per cent?

	Days.	Days.
$580=principal.	9=1-5 of	45.
5)5 | 80 cts.—int. for 45 days.		
$1 | 16 cts.—int. for 9 days.		

EXAMPLE 4.—What is the interest of $462 for 64 days at 7½ per cent?

	Days. Days. Days.
$462=principal.	64=48+16.
3)4 | 62 cts. —int. for 48 days.	
1 | 54 cts. —int. for 16 days.	
$6 | 16 cts. int for 64 days.	

REMARK.—We have now illustrated several examples by the different rates per cent.; if the student will study carefully the solution to the above examples, he will, in a short time, be very rapid in this mode of computing interest.

We will here illustrate an example to show the difference between this and the cancelling system: Required the interest of $420 for 49 days at 6 per cent.

Business method.		Cancelling method.	
2)4	20 cts.—int. for 60 days.		420
— —	—	36	6
2)2	10 cts.—int. for 30 days.		49
5)1	05 cts.—int. for 15 days.		
3)	21 cts.—int. for 3 days.		
	7 cts.—int. for 1 day.	$3.430 *Ans.*	
$ 3	43 cts.—int. for 49 days.		

The cancelling method is much more brief; we simply cancel 6 in 36, and the quotient 6 into 420; there is no divisor left; hence 70 ×49 gives the interest at once.

If the time had been 15 or 20 days, the other method would have been equally as short, because 15 and 20 are aliquot parts of 60. The superiority the cancelling system has over all others is this: it takes advantage of the principal as well as the time.

1. What is the interest of $46.28, for 2 years 3 months and 23 days, at 5 per cent? ANS. $5.35.

2. What is the interest of $54.81, for 1 year and 6 months, at 5 per cent? ANS. $4.11.

3. What is the interest of $500, for 9 months and 9 days, at 8 per cent? ANS. $31.

NOTE.—The preceding mode of computing interest is derived and deduced from the cancelling system, as the ingenious student will readily see. It is a short and easy way of finding interest for days when the days are even or aliquot parts; but when they are not multiples, and three or four divisions are necessary, the cancelling system is much more simple and easy.

4. What is the interest of $62.12, for 1 month and 20 days, at 4 per cent? Ans. $.345.

5. What is the interest of $85, for 10 months and 15 days, at 12½ per cent? Ans. $9.296.

6. What is the interest of $327.825, at 8 per cent, for 1 year? Ans. $26.226.

7. What is the interest of $325, for 3 years, at 6 per cent? Ans. $58.50.

8. What is the interest of $187.25, for 1 year and 4 months, at 6 per cent? Ans. $14.98.

9. What is the interest of $694.84 for 9 months, at 10 per cent? Ans. $52.113.

10. What is the interest of $57.78, for 1 year 4 months and 17 days, at 4 per cent? Ans. $3.19.

11. What is the amount of $298.59 from May 19th, 1873, till Aug. 11th, 1874, at 8 per cent? *

12. What is the amount of $196, from June 14, 1873, till April 29, 1874, at 9 per cent?

PROFIT AND LOSS.

Under this head we shall confine ourselves to ascertaining the gain or loss, on purchasing and selling merchandise, the rules for which may be found in any ordinary arithmetic.

Example 1.—Purchased merchandise for $15496.80. Sales effected in eighty-four days, $13654.20. On hand $4295.40. Required the total gain; the average daily sales; the average daily profits, and the average gain per cent.

Ans. *Total gain,* *$2452.80.*
Average daily sales, *$ 162.55.*
Average daily profits, *$ 29.20.*
Average gain per cent, *22, nearly.*

Example 2.—Purchased merchandise for $12,684. Sales effected in ninety days, $10480. On hand, $3964. Required the total gain, average daily sales, average daily profits, and average gain per cent.

Ans. *Total gain, $1760. Average daily sales, $116.44+ Average daily profits, $19.55+. Average gain per cent, $20.18+.*

* The amount is the principal and interest added together.

EXAMPLE 3.—Purchases, $6895. Sales in thirty-six days, $4011. On hand $2223. Required total gain or loss, daily sales, daily gain or loss, and the gain or loss per cent.

ANS. *Total loss, $661. Daily sales, $111.416+. Daily loss, 18.36+. Loss per cent 14.12+.*

EX. 4.—Bought molasses at 25 cents per gallon, and sold it for $23\frac{3}{4}$ cents, Required the loss per cent. ANS. 5.

EX. 5.—Sold merchandise for 20 per cent. advance on the first cost, and deducted 5 per cent. from the invoice for immediate payment. Required the net gain per cent. ANS. 14.

EX. 6.—Sold merchandise at 25 per cent. advance, and from the invoice deducted $12\frac{1}{2}$ per cent. Required the net gain per cent. ANS. 9.375.

EX. 7.—Sold merchandise at an advance of 50 per cent. on first cost, my customer having failed in business, I lost 40 per cent. from the selling price. Required the net gain or loss per cent.
ANS. 10 *per cent loss.*

EX 8.—A merchant sold his goods to retail customers at 25 per cent. advance. He gave up the retail business, and marked his goods to sell at wholesale, 20 per cent. from the retail price. Required his gain or loss per cent. ANS. *No gain or loss.*

PARTIAL PAYMENTS.

The method of computing interest when partial payments have been made is a subject that has given rise to much litigation. When the time of the note or obligation is more than one year, the following rule has been sanctioned by a number of decisions both in law and equity:

RULE.—I. *Compute the interest on the principal to the time of the first payment, and if this payment exceed the interest then due, add the interest to the principal, and from the sum subtract the payment; the remainder will form a new principal, with which proceed as before.*

NOTE.—This rule is based upon the principle that in all cases the payment should be applied first to interest due, then to the principal, and that the principal remains unchanged until the sum paid exceeds the accrued interest, the principal alone drawing interest.

II. *But if the payment be less than the interest, compute the interest on the principal to the time when the sum of the payments shall first equal or exceed the interest due; add the interest to the principal, and from the sum subtract the sum of the payments, and treat the remainder as a new principal.*

When the computed interest exceeds the payment, such interest may be added to the interest for the next interval of time, or if estimated mentally to be less, the amounts may be computed at once up to the time when the sum paid is not less than the accrued interest.

DIFFERENCE OF TIME BETWEEN DATES.

The majority of people, in computing the difference of time between dates, count the exact number of days. Besides this plan the two following rules are in common use:

RULE I.—*By compound subtraction, reckoning 30 days for a month.*

RULE II.—*By finding the number of entire calendar months from the first date, and counting, the actual number of days left.*

	Year.	No. of Month.	Day.
EXAMPLE.—From August 20th, 1871, to March 10th, 1874, would be,	1874	3	10
	1871	8	20
according to the 1st Rule	2y.	6mo.	20d.
" " " 2d Rule	2y.	6mo.	18d.

EXAMPLES.

$4000. TORONTO, June 1, 1872.

1. Two years after date, I promise to pay William Smith, or order, Four Thousand Dollars, for value received, with interest, at six per cent.

RICHARD PAYWELL.

On this note were indorsed the following payments:

September 15, 1872, received ($450) Four Hundred and Fifty Dollars.

December 15, 1872, received ($50) Fifty Dollars.

March 1, 1873, received ($500) Five Hundred Dollars.

January 1, 1874, received ($1000) One Thousand Dollars.

What remained due June 4, 1874?

NOTE.—By "Calendar month," is meant the time from any day in one month to the corresponding day of the next month. If the days of the first month is a higher number than the greatest number of da s in the last month, the calendar month ends with the last day. Thus, from June 31st, to February 28th is a calendar month.

OPERATION.

Principal on interest from June 1, 1872	$4000
Interest to September 15, 1872, 3 mos. 14 d	80 89
Amount	$4080 89
Less first payment	450 00
Remainder for a new principal	$3630 89
The Interest from September 15, to December 15, 1872, is $63.44, which exceeds the payment.	
Interest from September 15, 1872, to March 1, 1873, 5 mos. 16 d.	117 20
Amount	$3748 09
Less the sum of the second and third payments	550 00
Remainder for a new principal	$3198 09
Interest from March 1, 1873, to January 1, 1874	186 47
Amount	$3384 56
Less payment January 1, 1874	1000 00
Remainder for a new principal	$2384 56
Interest from January 1 to June 4, 1873	71 40
Balance due June 4, 1874	$2455 96

$1500. HAMILTON, January 1, 1874.

2.—One year after date, we promise to pay S. White, or order, Fifteen Hundred Dollars, with interest, value received.

GEORGE BROWN & CO.

The following payments were made on this note:—March 16, 1874, $100; June 13, 1874, $400; September 1, 1874, $200.

What was due January 1, 1875, interest at 6 per cent.?

Ans. $870.065+

$3500. BELLEVILLE, March 15, 1874.

3.—For value received, we jointly and severally promise to pay Wm. Smith, or order, Three Thousand Five Hundred Dollars, with interest.

JAMES JONES & CO.

Indorsed as follows:—June 1, 1874, received $800; September 1, 1874, $100; Jan. 1, 1875, $1560; March, 1, 1875, $300.

What was due May 15, 1875, interest at 6 per cent.?

Ans. $902.753+

AVERAGE OF ACCOUNTS.

AVERAGE OF ACCOUNTS OR EQUATATION OF ACCOUNTS,

is the process of finding the mean or average time for the payment, in one amount, of several debts due at different dates, without allowing interest to either debtor or creditor.

The time when the amout falls due by average is called the *Equated Time.*

The methods of averaging accounts are based upon the principal that the interest or use of any sum of money *paid before it is due*, is equivalent to the interest or use of an equal sum *retained for the same length of time after it becomes due.*. The process, threfore, consists merely in finding a point of time when the *interest* on sums then overdue equals the *discount* on the sums not due, reckoning what is here termed discount as simple interest, like bank discount.

ILLUSTRATION.—Suppose A owes B $100 due in one year, and $100 due in two years, without interest, the average maturity of both sums is eighteen months from the date of the first; for A will then have had the use of $100 for six months after it became due, which is equivalent to the use of $100 paid six months before it is due.

Simple average is the process of averaging an account containing debit or credit items only.

EXAMPLE.—A owes B, Jan. 1, 1874, $1800; of which $700 is payable in 6 months; $300 in 4 months, and $800 in 18 months: when can the whole be paid without gain or loss of interest to either party?

ANALYSIS.—It is evident that, if nothing should be paid till the maturity of the debt last due, A would owe B $1800, besides the interest of $700 for 12 months, which, at 6%, is $42, and the interest of $300 for 14 months, which is $21. But, the question is, when may the whole be paid without interest? Clearly, it should be paid as long prior to the expiration of 18 months as it will take $1800 to gain the interest then due, namely, $42+$21=$63. The interest of $1800 for one month, at 6%, is $9; and 63÷9=7. Therefore, it will take $1800 7 months to gain $63 interest, and the equated time is 7 months prior to July 1, 1875, or 11 (18—7) months from Jan. 1, 1874, which is Dec. 1, 1874.

PRACTICAL SOLUTION.

Product Method.

$700 × 6 = $4200
300 × 4 = 1200
800 × 18 = 14400

1800)19800(11
1800
1800
1800

Interest Method.

Int. of $700 for 6 mos. = $21.00
" " 300 " 4 " = 6.00
" " 800 " 18 " = 72.00

2)18.00 $99.00

9)99(11
99
—

EXPLANATION.

The *use* of $700 for 6 months = the use of $1 for 4200 months.
" " $300 for 4 months = the use of $1 for 1200 months.
" " $800 for 18 months = the use of $1 for 14400 months.

" " $1800 for 11 months = the use of $1 for 19800 months.

The use of $1 for 19800 months is equal to the use of $1800 for as many months as 1800 is contained times in 19800 = 11.

By the *Interest Method*, the total interest of the different sums for their respective terms of credit is $99, and the interest of $1800 for one month is $9. Therefore, it will take $1800 as many months to gain $99 as 9 is contained times in 99 = 11. Hence, the equated time is 11 months from Jan. 1, 1874, or Dec. 1, 1874.

EXAMPLES FOR PRACTICE.

1.—Sold goods to A, as follows:—

1874, June	10,	a bill	at	60 days	$2,500 00
Aug.	18,	"	"	30 "	475 32
Sept.	20,	"	"	90 "	500 00
Oct.	1,	"	"	60 "	219 75
Nov.	1,	"	"	30 "	150 25
					$3,845 32

When will the above bill become due by average?

Ans. Sept. 12.

2.—Bought of G. C. Holton & Co., mdse., as follows:—

1874, Jan.	1,	mdse.,	at	30 days	$192 30
Feb.	13,	"	"	60 "	137 50
Mar.	15,	"	"	90 "	742 25
Apr.	11,	"	"	30 "	350 00
					$1,422 05

When will this account average due?

Ans. May 12.

3.—Sold Smith & Co.,

1874, July	25,	mdse.,	at	3 mons	$1,350 00
Aug.	20,	"	"	2 "	463 75
Sept	30,	"	"	3 "	189 25
Oct.	26,	"	"	2 "	300 00
					$2,303 00

The purchasers propose to settle the account October 30, 1871, by giving a promissory note for the entire amount; what time should be expressed in the note, to make it fall due at the average maturity of the account?

Ans. 3 days.

A merchant sold to one of his customers several bills of goods, as follows:

May	9, 1874,	a bill of	$940	on 4 months	credit
June	6, "	"	500	on 3 "	"
July	8, "	"	945	on 5 "	"
Aug.	30, "	"	830	on 5 "	"
Sep.	30, "	"	1090	on 6 "	"

What is the equated time of payment, and how much would balance the account Jan. 1, 1875, allowing interest at 6 per cent?

DOUBLE EQUATION OR AVERAGING OF ACCOUNTS.

There are a number of different rules for working double equation. We select the following on account of its simplicity:

RULE.—*First find the equated time for each side of the account separately. Then multiply the amount due on that side of the account which falls due* FIRST, *by the number of days between the dates of equated time, and divide the product by the balance of the account. The quotient will be the number of days to be counted* FORWARD *from the* LATEST DATE *when the* SMALLER *side of the account falls due* FIRST; *and* BACKWARD *when the larger side falls due* FIRST.

EXAMPLE:—

A. *in account with* B.

Dr.					Cr.				
1874					1874				
Jan.	1	To Mdse.		500	Feb.	10	By Cash.		1000
Feb.	4	" "		600	Mar.	4	" "		600
Mar.	10	" "		800					

OPERATION.

Days.		Days.	
Jan. 1, 500 × 00			
Feb. 4, 600 × 34 =	20400	Feb. 10, 1000 × 00	
Mar. 10, 800 × 68 =	54400	Mar. 4, 600 × 22 =	13200
1900)	74800(39 $\frac{7}{19}$*	1600)	13200(8 $\frac{1}{4}$
	5700		12800
	17800		400
	17100		
	700		

39 days from Jan. 1 = Feb. 9 — 8 days from Feb. 10 = Feb. 18

Due Feb. 9.....$1900 — Due Feb. 18..... $1600

1900 side which falls due first.
9 difference between dates,

1710 ÷ 30 balance of account = 57 the number of days to count backward from Feb. 19, the latest date. *Ans.* Dec. 24.

*Fractional parts of a day are not counted, unless the fraction amounts to a half day or upwards; it then counts another day.

EXAMPLE 1.—Find the equated time for the payment of the balance of the following account :—

MONTREAL, Nov. 5, 1874.

MR. JOHN SMITH,

In account with S. S. EDSALL.

1874					1874				
Aug.	18	To Mdse, 90 days,	$2500	00	Sep.	20	By Cash,	$1000	00
Sept.	20	" " 60 "	500	00	Oct.	10	" "	500	00
Oct.	1	" " 30 "	475	00	Nov.	5	" "	275	00
Nov.	5	" " 30 "	335	00			*Balance*,	2035	00
			$3810	00				$3810	00

First equate the debit and credit sides of the account separately, by simple average. The result of the work is as follows :—

DR. CR.

Due Nov. 16, $3810 || Due Oct. 3, $1775.

Then apply the rule as in the preceding example and you will obtain the *Ans.* December 25.

3. When is the balance of the following account due per average ?

DR. A. B. PERRY, CR.

1874					1874				
Sep.	12	To Mdse, at 30 days,	$927	30	Oct.	10	By Cash,	$500	00
Oct.	15	" " " 30 "	342	75	Nov.	20	" "	300	00
Nov.	18	" " " 60 "	212	13	"	30	" "	250	00
Dec.	1	" " " 30 "	175	50					

Ans. Nov. 20, 1874.

4. Average the following account :—

Dr. GEO. BROWN in account with G. C. HOLTON & Co. CR.

1874					1874				
Jan.	1	To Mdse., 30 days.	$586	40	Feb.	1	By Cash,	$460	00
Feb.	15	" " " "	322	10	Mar.	15	" "	280	00
Mar.	3	" " " "	863	14	Apr.	1	" Draft at 10 days,	40	00

Ans. March 12, 1874.

5. Find the equated time for the settlement of the following account :—

DR. JAMES HUGHES & Co. CR.

1874				1874			
March	1	To Balance,	$325 00	March	16	By Cash,	$250 00
April	16	" Mdse., at 2 mos.	623 47	May	20	" "	300 00
May	11	" " " 2 "	1722 30	July	30	" Note, 30 dys.	1000 00
June	16	" " " 30 days.	975 12	Aug.	31	" Cash,	560 00
July	30	" " " 60 days.	146 35				
Aug.	17	" " " 30 days.	1650 25				

Ans. July 21, 1874.

6. When is the following account due per average?

DR. H. C. WAMBERS. CR.

1873				1873			
Oct.	13	To Mdse, at 3 mos.	$275 16	Dec.	1	By Cash,	$150 00
Nov.	18	" " " 4 "	186 37	"	30	" "	300 00
Dec.	1	" " " 2 "	917 16	1874		" "	
"	5	" " " 3 "	875 00	Feb.	18		560 00
1874				Mar.	1	" "	262 00
Jan.	10	" " " 2 "	327 16			" "	
Feb.	16	" " " 3 "	186 70				

Ans. March 16, 1874.

The following account, illustrated by the interest method, if worked out by the preceding rule, will show the distinction between the two systems.

7. When will the balance of the following account become due?

S. G. BEATTY *in account with* W. B. ROBINSON.

		DR.
Jan. 13. To Mdse., at 30 days	$300	
Feb. 4. " Sundries	450	
Apr. 15. " Real Estate	720	1,470
		CR.
Feb. 15. By Sundries	750	
May 20. " Cash	300	
June 10. " Mdse	120	1,170
Balance due		300
Int. on $300, from Feb. 12th to June 10th	5.90	
" 450, " " 4th " "	9.45	
" 720, " Apr. 15th " "	6.72	
Total debit interest to June 10th		22.07
Int. on $750, from Feb. 15th to June 10th	14.38	
" 300, " May 20th " "	1.05	
Total credit interest to June 10th		15,43

The difference between the debit and credit interest, $22.07—$15.43 = $6.64, the balance of interest in favor of the debit side of the account.

Interest on the balance of the account for one day is 5 cents $6.64 ÷ .05 = 133, the number of days to count backward from June 10th, giving January 27th as an equated date.

DR. W. A. FOSTER & Co., *in acct. with* A. M. SPAFFORD & Co. CR.

1873.				Time of Credit.	1873.			
April	3	To Mdse.,	$220	3 months,	July	1	By Cash,	$200
May	1	"	125	5 "	Oct.	3	" "	150
"	15	"	200	6 "	Dec.	20	" "	300
June	24	"	140	8 "				
July	1	"	190	9 "				

By equating each side, the account will stand as follows :

DR.	CR.
Due, Nov. 21, 1873, $875	Due, Oct, 10, 1873, $650.

It will be found, by the rule, that the balance of the account, thus equated, becomes due March 22, 1874. *Ans.*

DR. S. G. BATEMAN, *in acct. with* HENRY SMITH & Co. CR.

1874.				Time of Cr	When due	1874.			
Jan.	1	To Mdse.,	$1000	2 months	Mar. 1	April	1	By Cash,	1000
Feb.	8	" "	1500	3 "	May 8	May	1	" "	1000
Mar.	12	" "	2000	3 "	June 12	June	1	" "	1000
Apr.	1	" "	1000	4 "	Aug. 1	Aug.	1	" "	1000
May	20	" "	500	6 "	Nov. 20				

Ans. July 25.

AVERAGE OF ACCOUNTS OF SALES.

In averaging an Account of Sales the sales constitute the credits; the charges the debits, and the net proceeds the balance.

When sales are made on time, the consignee is entitled by custom to the same term of credit for the payment of the proceeds.

Expenses incurred in receiving the goods, and all charges paid in cash, are considered due the consignee when paid. Commissions and after-charges are, upon strict principle, due at the average maturity of the sales; yet this rule is not always observed.

The object of averaging an account of sales is to ascertain when the net proceeds become due. Except as regards the adjustment of the date of the commissions and charges made on closing a consignment, the process is precisely the same as that of equating an account current.

In joint consignments, the consignee's share of the invoice may be considered due at the date of the receipt of the goods, or the date of shipment, or not until sales are effected; but this depends altogether upon the agreement between the parties. The consignee's share of the gain or loss takes date with the commissions and charges, being due at the average maturity of the sales.

EXAMPLE 1. Required the equated time for the payment of the net proceeds of the following:—

ACCOUNT-SALES *of Mdse. received from* J. B. WARNER, *to be sold on joint account of himself*, A. M. FOSTER, *and ourselves, each* $\frac{1}{3}$.

1874.							
July	11	Sold on ac., at 3 days,					
		100 bbls. petroleum, 4,000 gals., at 48½c		$1940	00		
"	11	Sold for cash,					
		250 bbls. do., 1,000 gals., at 48c		4800	00		
"	14	Sold on a note at 30 days,					
		50 bbls. do., 2,000 gals., at 49c		980	00		
						$7720	00
"	15	100 bbls. on storage, destroyed by fire; no insurance.					
		Charges.					
"	10	Paid cash for freight and drayage,	$750 00				
"	17	Storage and cooperage	25 50				
		Commission, 2½ per cent on $7720	193 00				
				968	50		
		Less our ⅓ net loss		482	84		
						485	66
		Total net proceeds				$7234	34
		Amount of Invoice	$8200 00				
		J. B. Warner, and our ⅔	5466 67				
		Less their ⅓ net loss	482 83				
			$4983 84				
		Due by equation July 17.					

Kingston, July 17, 1874. W. R. BARBER & Co.

SOLUTION BY INTEREST METHOD.

Focal Date, Aug, 16th, latest maturity

Sales.	Due July 14	$1940	Int., 33 days,	$10	67
	" " 11	4800	" 36 "	28	80
	" Aug. 16	980	" 0		
Loss.	" July 16	1448 50	Int., 31 days,	7	48
		$9168 50		$46	95

6)9.168

1.53 +)46.95(31 — Average maturity of sales, 31 days
459 prior to Aug. 16, or July 16.

105

Charges.	Due July 10	$750	Int., 37 days,	$4	63
	" " 16	218 50	" 31 "	1	13
Balance of ac		8200.		5	76
		$9168 50		$41	19

6)8.200

1.37 +)41.19(30—Equated time for the payment of the Net Proceeds
411 30 days prior to Aug. 16, or July 17.

9

STORAGE.

Storage is a charge made by an individual who stores movable property or goods for another. It is usually computed by the month of thirty days, at a certain price per bushel, cask, box, barrel, etc. The storage book contains the date when the goods are stored and the articles ; also, the date when they are delivered.

Rule I,—*Multiply each quantity by the number of days between the date of its receipt and the date of the first delivery, or of the second receipt.*

II. *Multiply the balance, or increased quantity, by the number of days to the date of the next delivery, or receipt, and so on.*

III. *Divide the sum of the products by 30, and the quotient will be the average quantity in store for one month.*

Note.—In the above solution, the amount of the invoice is considered the balance of the account, while the total loss appears as a credit item. By subtracting our partners' shares of the loss from the total loss and the invoice, the result of the operation will be the same.

ACCOUNT OF STORAGE OF SALT, FOR JAMES SMITH & CO., AT 3 CENTS PER BARREL PER MONTH.

Date.		Rec'd	Deliv'd	Bal. in Store	Time	Amount in store 1 day.
1874						
May	1	1000		1000	22	22000
"	23	400		1400	5	7000
"	28	.....	600	800	3	2400
"	31	1000		1800	6	10800
June	6	.....	1000	800	10	8000
"	16	.....	500	300	14	4200
"	30	500		800	4	3200
July	4	1000		1800	28	50400
Aug.	1	.....	1600	200	31	6200
Sep.	1	.....	200			
		3900	3900			3,0)11420,0
						$3806\frac{2}{3}$
						3
						$114.20 *Ans.*

HAY.

To ascertain the value of a quantity of hay, where the number of lbs. and price per ton are given.

RULE.—*Multiply the number of lbs. by one-half the price per ton, and point off three figures from the right of the product.*

EXAMPLE 1.—What will be the cost of 2346 lbs. of hay, at $16 per ton; and 1874 lbs., at $17 per ton?

FIRST.	SECOND.
2346 No. lbs.	1874 No. lbs.
$8=\frac{1}{2}$ price per ton.	$8\frac{1}{2}=\frac{1}{2}$ price per ton.
$18.768 *Ans.*	$15.929 *Ans.*

EXAMPLE 2.—What will a load of hay containing 2974 lbs. cost, at $17.50 per ton? ANS. $26.0225.

MEASUREMENT OF WOOD.

To find how many cords of wood a given pile contains.

RULE.—*Multiply the height, width and length of the pile in feet and fractions of a foot together, and divide the product by 128, the number of cubic feet in a cord.*

NOTE.—If the price per ton should contain cents, point off two extra figures, or remove the decimal point five places to the left, instead of three.

The following Rule for readily and accurately ascertaining the requisite length of a pile of wood of any height that will be required for a given number of cords, will be found useful.

RULE.—*Multiply together the two given sides, height and breadth, and by this product divide the cubical contents of the required quantity; the quotient will be the third side or length.*

EXAMPLE.—Suppose a pile of wood, 4 feet high and 4 feet wide: required the requisite length for 1 cord.

The two given sides, height and breadth, $4\times4=16$, and the cubical contents of 1 cord is 128 feet. Then $128\div16=8$ feet, the third side or length.

Proof.—$4\times4\times8=128$.

EXAMPLE 2.—Suppose the wood piled 5 feet high, what length must we have for 10 cords? $128\times10=1280$, the cubical contents, and $5\times4=20$, the product of the two given sides, and $1280\div20=64$ feet, the required length.

Proof.—$64\times5\times4=1280$.

EXAMPLE 3.—Suppose the wood piled 6 feet 3 inches high: required the length for 5 cords. $6.3=6.25\times4=25$, and $128\times5=640\div25=25.6$ feet, the answer.

Proof.—$6\frac{1}{4}\times25.6\times4=640$.

By the same rule, if we have any two sides and the cubical contents, we can find the other side.

EXAMPLE.—Suppose you have a space for piling wood 27 feet 3 inches long, how high must wood, cut 4 feet long, be piled to make 7 cords?

The given sides, length and breadth, *$27.25\times4=109$.

The given quantity, 7 cords$\times128=896$, and $896\div109=8$ feet 270.109 inches, the Ans.

EXAMPLE.—Suppose the space be 25 feet long and $6\frac{1}{2}$ feet high, how long must the wood be cut in order that the space may hold cords?

*It is supposed that the student understands common and decimal fractions.

If the pile is of various heights, take the measure at different places, and divide the sum of those heights by the number of them, thus : Suppose the pile you are measuring be of the following heights :

	4 ft. 8 in.
	5 " 9
	3 " 6
	4 " 9
4	18 " 8
	4 " 8 the mean height.

THE MILLER'S RULE FOR WEIGHING WHEAT.

Wheat weighing 58 pounds and upwards per bushel is considered merchantable wheat, and 60 pounds of merchantable wheat make a standard bushel. Hence, wheat weighing less than 60 pounds per bushel will lose in making up ; but, weighing more, it will gain.

When wheat weighs less than 58 pounds per bushel, it is customary on account of the inferior yield of light wheat, to take two pounds for one in making up the weight ; hence, it will take 63 pounds to make up a bushel, provided the wheat weighs but 57, and 64 if the wheat weighs but 56 pounds per bushel.

CASE I.—To change merchantable wheat to standard weight.

RULE.—*Bring the whole quantity of wheat to pounds and divide by 60.*

EXAMPLE 1.—How many standard bushels of wheat are in 150 bushels each weighing 58 pounds ?

150	Or, each bushel lacks 2 lbs. ;		150
58			2
1200			6,0)30,0
750			
	From 150 bush.	Deficiency,	5
6,0)870,0	Take 5		

Ans. 145 b. Leaves 145, the answer.

2. How many standard bushels of wheat are in 80 bushels 45 pounds, weighing 63 ?

Bush.	lbs.		
80	45	Or, 80 bush.	
63		3	
285		6,0)24,0	excess of weight.
480		4 bush.	
6,0)508,5		80	45 lbs.

Ans. 84b. 45 lbs.=84¾b. *Ans.* 84b. 45lbs. or 3p.

3. How many standard bushels of wheat are in 175 bushels 37 pounds, weighing 59 ? *Ans.* 172 bush. 45 lbs.

4. How many standard bushels are in 100 bushels 15 pounds, weighing 62 pounds per bushel ? *Ans.* 103 bus. 35 lbs.

Case II.—When wheat weighs less than 58.

Rule.—*Bring the whole quantity to pounds, and divide by as many pounds as make a standard bushel of such wheat.*

Example 1.—How many bushels of good wheat are equal to 100 bushels weighing 57 ?

100
57

63)5700(90 bush. 30 lbs.
567 From 100 bush.
Take 9 33
30 lbs.
Ans. 90 27

Or, 6 lbs, per bus. = 600 lbs.
63)600(9 bus. 33 lbs. defect.
567
33

2. How many standard bushels of merchantable wheat will be equal to 250 bushels 18 lbs. weighing 56 lbs. per bushel ? *Ans.* 219 bush. 2 lbs.

3. How much good wheat is equal to 1000 bushels weighing 55 ? *Ans.* 846 bush. 10 lbs.

MEASUREMENT OF LUMBER.

The following practical methods of calculating the contents of lumber are generally employed by lumber dealers.

A standard board is one which is 12 inches wide, one inch thick, and 12 feet long ; hence, a standard board contains 12 square feet.

To find the superficial contents of boards.

When the length is given in feet, and the breadth in inches.

Rule.—*Divide either dimension by 12, and multiply the quotient by the other ; the product will be the content in square feet.*

Example.—How many square feet are there in a plank 15 feet long, 9 inches wide and 2 inches thick ?

$\frac{15\times9\times2}{12} = 22\frac{1}{2}$

$15\times\frac{3}{4}\times2 = 22\frac{1}{2}$.

Analysis.—The contents equal the length in feet multiplied by the breadth in inches multiplied by the thickness in inches, and divided by 12 ; or since 9 inches equal $\frac{3}{4}$ of a foot :

Note.—The odd pounds in the above and following results are also subject to a small drawback, viz., 1 lb. in every 21 when the wheat weighs 57 ; 1 in 13 when it weighs 56, and so on ; consequently, the above ought, in strictness, to be 90 bushels, and rather more than $28\frac{1}{2}$ pounds, but millers seldom make this reduction.

Since the number of boards, the length, and the breadth, are all factors of a product to be divided by 12, we may divide any one of them by 12, before multiplying.

EXAMPLE.—How much will the following lumber cost, at $15 per thousand square feet?

10	boards	13	feet	long,	10	inches	wide,	1	inch	thick.
20	"	18	"	"	12	"	"	1	"	"
40	"	16	"	"	9	"	"	$1\frac{1}{2}$	"	"

$10 \times 13 \times \frac{5}{6} = 108\frac{1}{3}$
$20 \times 18 \times 1 = 360$
$40 \times 16 \times \frac{3}{4} \times 1\frac{1}{2} = 720$

$1188\frac{1}{3}$ square feet $\times$ $1\frac{1}{2}$ price per foot = $17.82.

To obtain the price per foot it is only necessary to divide the price per thousand by 10. The same rule will answer for estimating plank and scantling of any description.

Required the contents of the following:

40	pieces	scantling	2× 3, 18.
30	"	joist	4× 5, 16.
20	planks,		2× 9, 13.
4	pieces	timber,	6× 8, 20.
2	"	"	8×12, 24.

The above is given in the form of the items of a bill. The sign of multiplication is placed between the side dimensions, and omitted before the length, as is customary in practice.

LOGS REDUCED TO BOARD MEASURE.

It is often necessary to ascertain the number of feet of boards which can be cut from a given log; or, in other words, to find how many logs will be necessary to make a given amount of boards.

A number of boards of various widths are first cut from the side of a log, in the operation of sawing. These boards have a wane edge which is afterwards sawed off, and as the waste in edging depends upon the quality of the logs and other circumstances, it is impossible to give a rule for finding the exact number of feet of *square-edged* boards which can be cut from logs. Tables prepared from diagrams are used for this purpose; but the following rule may be adopted in the absence of tables. *

* Scribner's tables are adopted as a standard for measuring lumber.

RULE.—*From the diameter of the log in inches subtract four for the slabs; then multiply the remainder by half itself, and the product by the length of the log in feet, and divide the result by eight; the quotent will be the number of square feet that can be cut from the log.*

A standard log is 12 feet long and 20 inches in diameter. Logs are usually required to be cut 13 feet long in order that the boards may trim 12 feet.

EXAMPLE.—How many feet of square-edged boards can be cut from a log 12 feet long and 24 inches in diameter.

If we saw off, say two inches from each side, the long will be reduced to a square 20 inches on a side. Now, since a standard board is one inch in thickness, and since the saw cuts about one quarter of an inch each time it goes through, it follows that one fourth of the log will be consumed by the saw. Hence we shall have $20 \times \frac{3}{4} =$ the number of boards cut from the log. Now, if the width of a board in inches be divided by 12, and the quotient be multiplied by the length in feet, the product will be the number of square feet in the board. Hence, $\frac{20}{12} \times$ length of log in feet = the square feet in each board. Therefore, $20 \times \frac{3}{4} \times \frac{20}{12}$ length of log = the square feet in all the boards $= 20 \times 10 \times \frac{3}{4} \times \frac{2}{12} \times$ length of log $= 20 \times 10 \times \frac{1}{8} \times$ length. And the same may be shown for a log of any length.

Diameter	24 inches.
For slabs,	4
Remainder,	20
Half remainder,	10
	200
Length of log,	12
	8)2400
	300 = the number of feet.

2. How many feet can be cut from a log 12 inches in diameter and 12 feet long? Ans. 48.

3. How many feet can be cut from a log 20 inches in diameter and 16 feet long? Ans. 256.

4. How many feet can be cut from a log 24 inches in diameter and 16 feet long? Ans. 400.

5. How many feet can be cut from a log 28 inches in diameter and 14 feet long? Ans. 504.

TO FIND THE CUBICAL CONTENTS OF SQUARE TIMBER.

RULE.—*Multiply the area of one end in inches by the length in feet and divide the product by 144.*

EXAMPLES.

1. Find the cubical content of a stick of square timber 24 feet long, and 16 inches square.

SOLUTION. $\frac{16\times16\times24}{144} = 42\frac{2}{3}$ feet, *Ans.*

1. Required the cubical content of a stick of square timber 26 feet long, and 17 by 15, side dimensions. *Ans.* $46\frac{1}{24}$ cu. ft.

3. What are the cubical content of a stick of timber 14 inches square, and 20 feet long? *Ans.* $27\frac{2}{3}$ cu. ft.

4. Find the cubical content of a stick of timber, 16×18, and 28 feet long. *Ans.* 56 cu. ft.

ROUND TIMBER.

Round Timber is now very generally bought and sold by its cubical measurement, when reduced to square timber.

The following rule for finding the content is extensively used, and is considered practically just, to both buyer and seller.

RULE.—*Deduct from the mean diameter in inches one-third of itself; multiply the square of the remainder by the length of the log in feet, and divide the product by 144.*

EXAMPLE 1.—Find the cubical content, in square timber, of a stick of round timber 14 inches in diameter at the smaller end, 20 inches at the larger, and 26 feet long.

SOLUTION. $20+14 = 34\div2=17$, mean diameter.
$17- 5\frac{2}{3}=11\frac{1}{3}$; and $11\frac{1}{3}\times11\frac{1}{3}=128\frac{4}{9}$.

$128\frac{4}{9}\times26\div144=23\frac{69}{324}$.* *Ans.* 23+feet.

EXAMPLE 2.—Find the measurement, as square timber, of a stick of round timber 30 feet long, and of an average diameter of 15 inches. *Ans.* $20\frac{5}{6}$ cu, ft.

NOTE.—The mean diameter is found by taking one half of the sum of the diameters of the two ends.

* A fraction of $\frac{1}{2}$ a foot or less is disregarded, and a fraction over a $\frac{1}{2}$ is called a foot.

EXAMPLE 3.—Required the cubical content, in square timber, of a stick of round timber 25 feet long, and 20 inches in diameter at one end, and 28 inches at the other? *Ans.* $44\frac{4}{9}$ cu. ft.

EXAMPLE 4.—Required the cubical content, as square timber, of a stick of round timber 32 feet long, and averaging 23 inches in diameter. *Ans.* $117\frac{5}{9}$ cu. ft.

When logs of various sizes are bought by the standard, lumbermen adopt the following rule to ascertain the number of standard logs in a given quantity.

RULE.—*Multiply the square of the diameter in inches, at the small end by the number of logs of the same diameter and divide the product by 400.*

EXAMPLE.—How many standard logs are contained in the following?

10 logs 13 ft. long 23 in. in diameter.
20 " 13 " " 18 " " "
30 " 13 " " 21 " " "

Ans. $62\frac{1}{2}$.

MECHANICS' WORK.

CARPENTERS' WORK.

Roofing, flooring, etc., are usually measured and computed by the square of 100 feet.

In boarded flooring, the dimensions must be taken to the extreme parts, and the number of squares of 100 feet must be calculated from these dimensions. Deductions should be made for staircases, chimneys, etc.

EXAMPLE.—How many squares of flooring are there in a floor 57 feet 3 inches long, and 28 feet 6 inches broad?

OPERATION.

By Decimals.	*By Duodecimals.*
57.25	ft. in.
28.5	57 " 3
	28 " 6
28625	
45800	28 " 7 " 6
11450	1603 " 0
100)1631.625 feet.	100)1631 " 7 " 6
16.31625 squares.	16.31 squares.

NOTE.—When the length of logs is more or less than 13 feet they should be multiplied by the length and divided by 12.

The mode of measuring roofing is given in the next exercise.

TILING OR SLATING.

Tiling and slating are measured by the square of 100 feet, as flooring, partitioning and roofing are in Carpenters' work; so that there is not much difference between the roofing and tiling; yet the tiling will be the most; for double measure is sometimes allowed for hips and valleys.

In this work the content of the roof is found by multiplying the length of the ridge by the girt from eave to eave.

When gutters are allowed double measure, the way is to measure the length along the ridge-tile, and add it to the content of the roof; this makes an allowance of one foot in breadth, the whole length of the hips or valleys. It is usual also to allow double measure at the eaves, so much as the projector is over the plate, which is commonly about 18 or 20 inches.

Sky-lights and chimney shafts are generally deducted, if they be large, otherwise not.

EXAMPLE 1.—There is a roof covered with tiles, whose depth on both sides (with the usual allowance at the eaves) is 37 feet 3 inches, and the length 45 feet; how many squares of tiling are contained therein?

By Duodecimals.		*By Decimals.*
ft.	in.	
37	3	37.25
45	0	45
185		18625
148		14900
11	3	
16	76	3
		16 76.25

EXAMPLE 2.—The length of a slated roof is 45 feet 9 inches, and its girt 34 feet 3 inches; what is its content? *Ans.* 1566.9375 sq. ft.

3. What will the tiling of a barn cost at $3.40 per square of 100 feet, the length being 43 feet 10 inches and breadth 27 feet 5 inches on the flat, the eave board projecting 16 inches on each side and the roof being of the true pitch? *Ans.* $65.26.

PLASTERERS' WORK.

Plasterers' work is of two kinds, viz., ceiling, which is plastering on laths; and rendering, which is plastering on walls. These are measured separately.

The contents are estimated either by the square foot, the square yard, or the square of 100 feet.

Inriched mouldings, etc., are rated by the running or lineal measure.

In estimating plastering, deductions are made for chimneys, doors, windows, etc.

EXAMPLE 1.—How many square yards are contained in a ceiling 43 feet 3 inches long and 25 feet 6 inches broad? Ans. 122½ nearly.

2. What is the cost of ceiling a room 21 feet 8 inches by 14 feet 10 inches, at 18 cents per square yard? Ans. $6.42+.

3. The length of a room is 14 feet 5 inches, breadth 13 feet 2 inches, and height to the under side of the cornice 9 feet 3 inches. The cornice girts 8½ inches, and projects 5 inches from the wall on the upper part next the ceiling, deducting only for one door 7 ft. by 4, what will be the amount of the plastering?

Ans. { 53 yds. 5 ft. 3' 6" of rendering.
18 yds. 5 ft. 6' 4" of ceiling.
37 ft. 10' 9' of cornice.

The mean length of the cornice both in the length and breadth of the house is found by taking the middle line of the cornice. Now, since the cornice projects 5 inches at the ceiling, it will project 2½ inches at the middle line; and, therefore, the length of the middle line along the length of the room will be 14 feet, and across the room 12 feet 9 inches. Then multiply the double of each of these numbers by the girth, which is 8½ inches, and the sum of the products will be the area of the cornice.

PAINTERS' WORK.

Painters' work is computed in square yards. Every part is measured where the color lies, and the measuring line is carried into all the mouldings and cornices.

Windows are generally done at so much apiece. It is usual to allow double measure for carved mouldings, etc.

EXAMPLE 1.—How many yards of painting in a room which is 65 feet six inches in perimeter and 12 feet 4 inches in height? Ans. $89\frac{41}{54}$ sq. yds.

2. The length of a room is 20 feet, its breadth 14 feet 6 inches, and height 10 feet four inches; how many yards of painting are in it—deducting a fireplace of 4 feet by 4 feet 4 inches, and two windows, each 6 feet by 3 feet 2 inches. *Ans.* $73\frac{2}{27}$ sq. yds.

MASONS' WORK.

The measure made use of, in all sorts of stone work, is either superficial or solid.

Walls, columns, blocks of stone or marble are measured by the cubic foot, and pavements, slabs, chimney pieces, etc., are measured by the square or superficial foot. Cubic or solid measure is always used for the materials, and square measure is sometimes used for the workmanship.

EXAMPLE 1.—Required the solid content of a wall 53 feet 6 inches long, 12 feet 3 inches high and 2 feet thick. *Ans.* $1310\frac{3}{4}$ ft.

2. What is the solid content of a wall the length of which is 24 feet 3 inches, height, 10 feet 9 inches and thickness 2 feet? *Ans.* 521.375 ft.

3. In a chimney-piece we find the following dimensions:

Length of the mantle and slab,	4	feet	2	inches.
Breadth of both together,	3	"	2	"
Length of each jam,	4	"	4	"
Breadth of both,	1	"	9	"

Required, the superficial content.

Ans. 31 ft. 10 in.

Stone walls are measured by the solid foot, the superficial foot and by the perch.*

Artificers' work in general is computed by three different measures, viz. :—

1ST. The linear measure, or, as it is called by mechanics, running measure.

*Since different ways of measuring stone walls are adopted by different mechanics it is necessary, when called upon to measure such work to first ascertain which system is intended to be adopted.

2ND. Superficial or square measure, in which the computation is made by the square foot, square yard, or by the square containing 100 square feet or yards.

3D. By the cubic or solid measure, when it is estimated by the cubic foot or cubic yard. The work, however, is often estimated in square measure, and the materials for construction in cubic measure.

Masons' generally contract for foundations of buildings and other walls of that description at so much per perch, ($16\frac{1}{2}$ feet), and in estimating their work adopt the following

RULE.—*Multiply the length, height and width of the wall together and divide the product by* $16\frac{1}{2}$.

EXAMPLE.—How much will it cost to build a stone wall 60 ft. long 8 ft. high and 3 ft. thick, at 70c per perch.

OPERATION.

$$\frac{60\times8\times3}{16\frac{1}{2}} = 87\frac{3}{11} \text{ perches} \times 70\text{c} = \$61.09. \quad \textit{Ans.}$$

BRICKLAYERS' WORK.

The dimensions of a brick generally bear the following proportions to each other, viz. :—

Length=twice the width, and

Width =twice the thickness; and hence the length is equal to four times the thickness.

The common length of a brick is 8 inches, in which case the width is 4 inches and the thickness 2 inches. A brick of this size contains $8\times4\times2=64$ cubic inches; and since a cubic foot contains 1728 cubic inches, we have $1728\div65=27$ the number of bricks in a cubic foot.

If the brick is 9 inches long, then the width is $4\frac{1}{2}$ inches, and the thickness $2\frac{1}{4}$; and each brick will contain $9\times4\frac{1}{2}\times2\frac{1}{4}=91\frac{1}{8}$ cubic inches; and $1728\div91\frac{1}{8}=19$ nearly, the number of bricks in a cubic foot. In the examples which follow we shall suppose the brick to be 8 inches long unless otherwise mentioned.

To find the number of bricks required to build a wall of given dimensions.

1st. *Find the content of the wall in cubic feet.*

2d. *Multiply the number of cubic feet by the number of bricks in a cubic foot, and the result will be the number required.*

EXAMPLE 1.—How many bricks, of 8 inches in length, will be required to build a wall 30 feet long, a brick and a half thick and 15 feet in height? *Ans.* 12150.

2. How many bricks, of the usual size, will be required to build a wall 50 feet long, 2 bricks thick, and 36 ft. in height? *Ans.* 64800.

The thickness of mortar between the courses is nearly a quarter of an inch, so that four courses will give nearly one inch in height. The mortar, therefore, adds nearly one-eighth to the height. One-eighth is rather too large an allowance; but the mortar that goes to increase the length of the wall and to fill other spaces makes it about one-sixth. Mechanics in making estimates consider $\frac{5}{6}$ of a wall solid brick.

3. How many bricks would be required in the first and second examples, if we make the proper allowance for mortar?

Bricklayers generally estimate their work at so much per thousand.

4. What is the cost of a wall 60 feet long, 20 feet high and $2\frac{1}{2}$ brick thick, at $7.50 per thousand—which price we suppose to include the cost of the mortar?

If we suppose the mortar to occupy a space equal to one-sixth the height of the wall, we must find the quantity of bricks under the supposition that the wall is to be $16\frac{2}{3}$ feet in height.

In estimating the brick for a house, allowance must be made for the windows and door.

To ascertain the number of bricks required to build 1 foot of a wall of any given thickness.

RULE.—*Multiply the thickness of the wall in inches by 144 and from the product deduct $\frac{1}{9}$ itself and divide the remainder by the solid content of a brick.*

EXAMPLE 1.—How many bricks will it require to build 1 foot of a wall 1 brick or 8 inches thick?

SOLUTION.

$8 \times 144 = 1152 - 192 = 960.$
$8 \times 4 \times 2 = 64$ solid content of 1 brick.
$960 \div 64 = 15$ *Ans.*

NOTE.—The mode of working examples where the proper allowances for mortar, &c., are taken into consideration, will be given in some of the following exercises.

EXAMPLE 2.—How many bricks will it require to build 1 foot of a wall 12 inches thick?

SOLUTION.

$12 \times 144 = 1728 - 288 = 1440.$
$8 \times 4 \times 2 = 64$ solid content of 1 brick.
$1440 \div 64 = 22\frac{1}{2}$ *Ans.*

To ascertain the number of bricks required to build a wall.

RULE.—*Multiply the length and height of the wall in feet, together; this product multiplied by the number of bricks required to build 1 foot of such wall will be the required result.*

EXAMPLE 1.—Find the number of bricks required for the erection of a building, the wall of which is nine inches thick, the length 40 ft., width 32, and the height 18. Allowance to be made for 12 windows, 7 by $3\frac{1}{2}$ feet, and 3 doors, $8\frac{1}{2}$ by 4 ft. (Bricks 9 inches long.)

SOLUTION.

$40+40+30\frac{1}{2}+30\frac{1}{2}$*$=141$, the length in a straight wall. 141×18, the height$=2538$ the number of square feet. $7 \times 3\frac{1}{2} \times 12 = 294$ feet, the space occupied by the windows; $8\frac{1}{2} \times 4 \times 3 = 102$ feet, the space occupied by the doors—hence $294+102=396$. the number to be deducted from the whole surface; $2538-396=2142$ feet of wall; this multiplied by 12, the number of bricks required to lay one foot of such wall, gives 25704 for the total number of bricks.

EX. 2.—Required the number of bricks for building a wall 43 ft. long, 32 wide, 16 high and 8 inches thick, allowing for 14 windows, 8 by $4\frac{1}{2}$ feet, 4 doors, 9 by $4\frac{1}{2}$ ft.

EX. 3.—Find the number of bricks required to build a house of the following dimensions: the main building to be 30 feet long, 24 wide, 15 high, and the wall 8 inches thick; 2 doors, one $8\frac{1}{2}$ by 6 ft., the other 7 by $3\frac{1}{2}$ ft; 8 windows, $6\frac{1}{2}$ by 4 ft. The kitchen to be 13 ft. long, 11 ft. wide, and side walls 10 ft. high, having a gable † $4\frac{1}{2}$ ft. in altitude, 4 windows, $4\frac{1}{2}$ by 3 ft., and 2 doors, $7\frac{1}{2}$ by $3\frac{1}{2}$ ft.

NOTE.—It is impossible on account of the necessary waste and other modifying circumstances, to give the exact number of bricks required to build a wall, but the above system of calculation has been found by practical mechanics to be very nearly right.

† To find the content of a gable multiply the width of the building, by the height of the gable and divide the product by 2.

*It will be observed that $1\frac{1}{2}$ feet are deducted from each end to allow for the thickness of the wall.

2. How many bricks will be required to erect a wall 140 ft. long, 14 ft. high and 1 ft. thick, allowing for 2 doors 4 × 7 feet, and 12 windows, 3 × 5 ft.?

3. How many bricks will be required to erect a house 26 × 36 ft., walls 21 feet high and 1 ft. thick; allowing for 3 doors, one $4\frac{1}{2} \times 7$ ft., two 3 × 6 ft., and 12 windows; two 5 × 7 feet, three 4 × 6 feet, and seven 3×5 ft.?

4. How many perches of stonework are there in the foundation of the above building, if the wall be two feet thick and 4 feet high, there being a cellar in one corner 18×20 feet, the walls of which are 7 feet high?

GLAZIERS' WORK.

Glaziers take their dimensions in feet, inches and eights or tenths, or else in feet and hundredth parts of a foot, and estimate their work by the square foot.

Windows are sometimes measured by taking the dimensions of one pane, and multiplying its superficies by the number of panes. But, more generally, they measure the length and breadth of the window over all the pains and their frames for the length and breadth of the glazing.

Circular or oval windows, as fan lights, etc., are measured as if they were square, taking for the dimensions their greatest length and breadth, as a compensation for the waste of glass and labor in cutting it to the necessary forms.

EXAMPLE.—If a pane of glass be 4 feet $8\frac{3}{4}$ inches long, and 1 foot $4\frac{1}{4}$ inches broad, how many feet of glass are in that pane?

BY DUODECIMALS.

FT.	IN.	P.		
4	8	9		
1	4	3		
4	8	9		
1	6	11	0	
	1	2	2	3
6	4	10	2	3

BY DECIMALS.

4.729
1.354
18916
23645
14187
4729
6.403066

Ans. 6 feet 4 inches.

TO FIND DIVISORS FOR CIRCULAR FIGURES.

It has been found by experiment, that the area of a circle, whose diameter is unity, will be ·785398, &c.; but which for the sake of

convenience, is usually considered ; as ·7854 parts of an unit ; wherefore by dividing the solid capacity of any figure by ·7854, the quotient will be the proper divisors to the squared diameters of circular figures. To reduce the area, *at one inch deep*, into gallons, or if the content of any vessel be first found in inches, by multiplying the area into the depth, &c., and then applying such divisors, the content will be found in terms of the factor employed : hence

EXAMPLE.

	1	1·273	which are the divisors for circular figures, of which the dividends are the solid capacities in inches ; and to each of which ·7854 (as on the left thereof) is a divisor from whence such quotients result.
	144	183·34	
	1728	2200·16	
	282	359·05	
·7854	231	294·12	
	2150·42	2738	
	268·8	342·24	
	227	289	
	217·6	277	
	326·4	415·8	

N. B.—Any divisor for a circular figure being multiplied by 1·5 gives the divisor for spheres.

To find multipliers, answering the purpose of the foregoing divisors for circular figures.

RULE.—*Divide ·7854 by the solid capacity of any figure, in inches, and the quotient is the corresponding multiplier to such divisors respectively.*

To find the solid content of a cylindrical vessel.

RULE.—"*Multiply area of bottom by height of vessel.*"

EXAMPLE.—The inside diameter of a cylindrical vessel being 40 inches, and height of side 5 feet, find its cubical content.

Area of bottom $=40^2 \times .7854 = 1256.64$.
1256.64 area of bottom.
60 in height.

Ans. 75398.40 cubic inches.

To find the cubical content of a vessel with rectangular base and vertical sides.

RULE.—*Multiply length of bottom by breadth, and the product by height of vessel.*

EXAMPLE.—How many cubic feet will a tank, measuring 8 feet long, 4 feet wide, and $4\frac{1}{2}$ feet deep, contain ?

Ans. 8×5×4 or 160 cu. ft.

NOTE.—The area of a circle is found by multiplying the square of the diameter by .7854.

It frequently occurs that cisterns are to be so constructed as to hold given quantities of water, and it then becomes a useful and practical problem to calculate their exact dimensions.

If the height of a cistern be given to find the diameter, so that the cistern shall contain a given number of hogsheads.

1st. Reduce the height of the cistern to inches, and the content to cubic inches.

2. Multiply the height by the decimal .7854.

3d. Divide the content by the last result, and extract the square root of the quotient, which will be the diameter of the cistern in inches.

To find the solid content of a vessel with circular top and bottom of unequal dimensions, and having straight sides; or to find the cubical content of the frustrum of a cone.

RULE.—"*To the product of top and bottom diameters add the sum of their squares, multiply this sum by the perpendicular height and by constant* .2618."

EXAMPLE.—The top diameter of a circular vessel is 20 inches, the bottom diameter 11 inches, and the perpendicular height 18 inches, find its solid content.

To product of diameters, $20\times11=220$
add sum of their squares, $400+121=521$

741

$741\times18=13338\times.2618=3491.8884$ cubic inches.

To find the capacity in gallons of a tank, cistern or vessel of any kind.

RULE.—*Divide the content in cubic feet by 6.2321, and the result will be Imperial gallons; or multiply the content in cubic inches by .0036 for a like result.*

GAUGING CASKS.

RULE.—*Take the distance in inches from the centre of the bung inside, diagonally, to the chine; cube it, and divide by 370, and the quotient will express the gallons. Should there be a remainder, multiply by 4, and continue the division for quarts, by 2, for pints, etc.*

NOTE.—If the bung is not in the centre, measure both ways to chine; add the two results together, and take half the sum; then proceed as above.

This standard number 370 is derived from actual experiment. The measurement of a regular shaped cask cubed as above, divided by the actual capacity of the English gallon pot, gave the standard 370.

EXAMPLES.

1. How many gallons will a hogshead hold measuring 37 inches from the centre of the bung inside to the chine?

Ans. 136 gals. 3 qts. 1 pt.

OPERATION.

$37\times37\times37 = 50653 \div 370 = 136$ gallons.

1s remainder $333\times4 = 1332 \div 370 = 3$ quarts.

2d remainder $222\times2 = 444 \div 370 = 1$ pint.

2. A cask measures 16 inches from the centre of the bung, diagonally, to the chine; what is its capacity?

Ans. 11 gals. 2 gills.

3. A cask measures 18 inches, diagonally, to the chine inside, one way, and 19 inches the other, what will it hold?

Ans. 19 gals. and 3 + gills.

4. I have a small cask measuring 13 inches to the chine inside; what does it hold? *Ans.* 5 gals. 3 qts. 1 pt. 2 gills.

TO MEASURE CORN IN THE CRIB.

Corn is generally put up in cribs made of rails, but the following rule will apply to a crib of any size or kind.

Two cubic feet of good, sound, dry corn in the ear will make a bushel of shelled corn. To get, then, the quantity of shelled corn in a crib of corn in the ear, measure the length, breadth, and height of the crib, *inside of the rail*; multiply the length by the breadth, and the product by the height; then divide the result by two, and you have the number of bushels of shelled corn in the crib.

In measuring the height, of course, the height of the corn is intended. And there will be found to be a difference in measuring corn in this mode, between fall and spring, because it shrinks very much in the winter and spring, and settles down.

MEASUREMENT OF GRAIN.

The standard unit of Dry Measure is the Imperial bushel, which is an upright cylinder whose internal diameter is 18.789 inches and depth 8 inches. It contains 2218.192 cubic inches or 80 lbs. Avoirdupois of pure distilled water.

Grain is bought and sold by weight, allowing for a bushel as follows: Wheat, 60 lbs.; Indian corn, 56 lbs.; rye, 56; peas, 60; barley, 48; oats, 34; beans, 60; clover seed, 60; timothy seed, 48; buckwheat, 48; flaxseed, 50; hemp seed, 44; blue grass seed, 14; castor beans, 40; potatoes, turnips, carrots, parsnips, beets and onions, 60 lbs.; salt, 56; dried apples, 22; dried peaches, 33, and malt 36 pounds.

TO MEASURE GRAIN ON THE FLOOR.

RULE.—*Make the pile in the form of a pyramid or cone, and multiply the area of the base by one-third the height for the cubical content.*

EXAMPLE.—A conical pile of grain is 8 feet in diameter, and 4 feet high, how many bushels does it contain?

SOLUTION.

The square of 8 is 64; and $64 \times .7854 \times 1\frac{1}{3} \times \frac{1728}{2218.192}$ the number of bushels.

TO ASCERTAIN THE WEIGHT OF CATTLE BY MEASUREMENT.

Multiply the girth in feet, by the distance from the bone of the tail immediately over the hinder part of the buttock, to the fore-part of the shoulder-blade; and this product by 31, when the animal measures *more than 7 and less than 9 feet in girth;* by 23, when *less than 7 and more than 5;* by 16, when *less than 5 and more than 3;* and by 11, when *less than 3.*

EXAMPLE.—What is the weight of an ox whose measurements are as follows: girth, 7 feet 5 inches; length, 5 feet 6 inches?

SOLUTION.

$$5\tfrac{1}{2} \times 7\tfrac{5}{12} = 40\tfrac{57}{72}\ ;\ 40\tfrac{57}{72} \times 31 = 1264+. \quad \textit{Answer.}$$

A deduction of one pound in 20 must be made for half-fatted cattle, and also for cows that have had calves. It is understood, of course, that such standard will at best give only the *approximate* weight.

MEASURING LAND.

To find the number of acres of land in a rectangular field, multiply the length by the breadth, and divide the product by 160, if the measurement is made in rods, or by 43560 if made in feet.

EXAMPLE.—How many acres in a field which is 100 rods in length, by 75 rods in width?

SOLUTION.

$$100 \times 75 = 7500\ ;\ 7500 \div 160 = 46\tfrac{7}{8}. \quad \textit{Answer.}$$

To find the contents of a triangular piece of land, having a rectangular corner, multiply the two shorter sides together, and take one-half the product.

Those who have occasion to refer to mensurating will find the following table of multiples very useful. It covers nearly the whole of practical geometry, and should be studied carefully by those who wish to be skilled in this beautiful branch of mathematices.

TABLE OF MULTIPLES.

Diameter of a circle×3.1416=Circumference.
Radius of a circle×6.283185=Circumference.
Square of the radius of a circle+3.1416=Area.
Square of the diameter of a circle×.7854=Area.
Square the circumference of a circle×.07958=Area.
Half the circumference of a circle×by half its diameter=Area.
Circumference of a circle×.159155=Radius.
Square root of the area of a circle×.56419=Radius.
Circumference of a circle×.31831=Diameter.
Square root of the area of a circle×1.12838=Diameter.
Diameter of a circle×.86×Side of inscribed equilateral triangle.
Diameter of a circle×.7071=Side of an inscribed square.
Circumference of a circle×.225=Side of an inscribed square.
Circumference of a circle×.282=Side of an equal square.
Diameter of a circle×.8862=Side of an equal square.
Base of a triangle×by ½ the altitude=Area.
Multiplying both diameters and .7854 together=Area of an ellipse.
Surface of a sphere×by one six of its diameter=Solidity.
Circumference of a sphere×by its diameter=Surface.
Square of the diameter of a sphere×3.1416=Surface.
Square of the circumference of a sphere×.3183=Surface.
Cube of the diameter of a sphere×.5236=Solidity.
Cube of the radius of sphere×4.1888=Solidity.
Cube of the circumference of a sphere×.016887=Solidity.
Square root of the surface of a sphere×.56419=Diameter.
Square root of the surface of a sphere×1.772454=Circumference.
Cube root of the solidity of a sphere×3.8978=Circumference.
Cube root of the solidity of a sphere×1.2407=Diameter.
Radius of a sphere×1.1547=Side of the inscribed cube.
Square root of (⅓ of the square of) the diameter of a sphere=Side of inscribed cube.
Area of its base×by ⅓ of its altitude=Solidity of a cone or pyramid, whether round, square, or triangular.
Area of one of its side×6=Surface of a cube.
Altitude of trapezoid×½ the sum of its parallel sides=Area.

EXAMINATION QUESTIONS.

1. Six men are engaged in building a house, which they agreed to finish in 90 days; but, after working 70 days, they find that it will be impossible to complete it in less than 50 days more; how many additional men must be employed, to finish the work according to the contract? *Ans.* 9.

2. How much carpeting that is $\frac{3}{4}$ of a yard wide will cover a floor 15 feet square? *Ans.* $33\frac{1}{3}$ yds.

3. A careless clerk, calculating the cost of a piece of goods, multiplied by $.18\frac{1}{2}$, when he should have multiplied by $.28\frac{1}{2}$, and obtained $5.73\frac{1}{2}$ for the result; what was the correct result? *Ans.* $8.83\frac{1}{2}$.

4. Sold $2543.50 worth of goods, at a profit of 5 per cent, on a note at 60 days, and had the note discounted the same day, at 6 per cent per annum, at a bank; required the net profit on the goods. *Ans.* $94.41.

5. A merchant bought 75 barrels of flour at $9 per barrel, and sold $\frac{1}{3}$ of it at a certain gain per cent., $\frac{1}{3}$ at twice that gain, and the remainder at a net profit of $25. If he had sold the last lot for $8.75 more, he would have gained 10 per cent on the whole; what was his gain per cent on the first two lots and his whole net gain?

Ans. 1*st. lot* 5 *per cent; second* 10 *per cent; net gain* $58.75.

6. A note for $413.50, dated September 1, 1873, bears the following indorsements: —Received October 1, 1873, $50; Jan. 10, 1874, $100; March 11, 1874, $75; how much is due June 1, 1874, the rate of interest being 7 per cent? *Ans.* $204.36+.

7. An Indian and a white man undertook, for a wager, to run a race over a six-miles course. The speed of the Indian was to that of the white man as 4 to 3, till the former reached the half-way point, when the latter abandoned the contest. The Indian continued on at half his former speed, and made the whole distance in 48 minutes: how many rods per minute did each run at first? *Ans. The Indian,* 60, *the white man,* 45.

8. A liquor agent of a New England town held the office for one year, at the close of which he gave the following statement of his accounts:—

Amount of cash received upon assuming the office	$32.17
Value of liquor received at the same time	57.54
Cash received for sales of liquor during the year	102.97
Amount paid for liquor bought during the year	59.91
Amount of agent's salary	25.00
Value of liquor on hand at the end of the year	31.37

Did the agent owe the town, at the end of the year, or did the town owe the agent, and how much? Did the town gain or lose, and how much?

Ans. The Agent owed the Town $50.23.
The Town lost 8.11.

9. A and B purchased a watermelon for 8 cents, A paying 3 cents, and B, 5 cents. A third person comes along, and offers 8 cents for a third interest in it, and the offer is accepted; how shall A and B divide the money, so that all three shall have equal shares of the melon?

Ans. B should take 7 *cents.*
A " " 1 *cent.*

10. A lets B have 30 lbs. of wool to spin on the following condition: B is to spin A's portion at $12\frac{1}{2}$c. per lb. of yarn, and take his pay in wool from the 30 lbs., at 30c. per lb. How many lbs. of yarn should A receive, and how many lbs. of wool should B keep in payment, there being a waste of $1\frac{1}{4}$ lbs. of wool on every 10 manufactured.

Ans. A should receive 19 $\frac{31}{131}$ *lbs.*
B should keep 8 $\frac{2}{131}$ "

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